

TEESSIDE HOSPICE CARE FOUNDATION

England & Wales · Charity number 512875

Details

| | |
|----------------|---|
| Other names | TEESSIDE HOSPICE |
| Status | Registered |
| Legal form | Charitable company |
| Company number | 01642201 |
| Registered | 1982-07-12 |
| Register | View on the Charity Commission register |

Contact

| | |
|---------|--|
| Address | Teesside Hospice 1 Northgate Road Middlesbrough TS5 5NW |
| Phone | 01642811060 |
| Email | marketing@teessidehospice.co.uk |
| Website | www.teessidehospice.org |

Activities

Objects: TO PROMOTE THE RELIEF OF SICKNESS BY SUCH CHARITABLE MEANS AS THE ASSOCIATION SHALL FROM TIME TO TIME THINK FIT.

Activities: "To provide Specialist Palliative Care and relief of complex symptoms with a regard to physical, social, psychological and spiritual aspects of patient / family care, thus enabling them to return home or to another care environment."

Classification

- **How:** Provides Services
- **What:** The Advancement Of Health Or Saving Of Lives
- **Who:** People With Disabilities, The General Public/mankind

Geography

- **Area of benefit:** STOCKTON-ON-TEES
- Darlington
- Hartlepool
- Middlesbrough
- North Yorkshire
- Redcar And Cleveland
- Stockton-on-tees

Finances

| Period end | Income | Expenditure | Assets | Employees |
|------------|------------|-------------|-------------|-----------|
| 2025-03-31 | £6,003,756 | £6,191,651 | £9,938,192 | 159 |
| 2024-03-31 | £6,179,375 | £5,557,768 | £10,057,202 | 143 |
| 2023-03-31 | £5,300,709 | £5,242,626 | £9,180,488 | 139 |
| 2022-03-31 | £4,891,254 | £4,569,528 | £9,314,795 | 128 |
| 2021-03-31 | £5,677,429 | £4,404,641 | £8,790,701 | 127 |

Trustees

| Name | Role | Appointed |
|-------------------------|-------|------------|
| Gary Whitehead | Chair | 2019-11-27 |
| Carole Langrick | | 2020-01-30 |
| Dominic Modesto Lusardi | | 2024-02-29 |
| John Hodgson | | 2024-12-05 |
| John Sheridan | | 2020-01-30 |
| Richard Morris | | 2025-10-03 |
| Ryan John Pugh | | 2025-02-27 |
| Victoria Blunsdon | | 2025-09-24 |

TEESSIDE HOSPICE CARE FOUNDATION

England & Wales - Charity number 512875

Accounts

Teesside Hospice Care Foundation
(A Company limited by guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 MARCH 2025

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2025

Statement from the Chief Executive

“As we look back on the last year it’s been remarkable to see the difference the team at Teesside Hospice have continued to make to individuals and families affected by life limiting illness. We continue to focus on delivering specialist-level palliative and end of life care, alongside wellbeing, bereavement support and lymphoedema treatment. Our ambitions to be there for everyone that needs us and to provide the best care we can has led to new and innovative ways to reach out into our community and opening up access to hospice care for those who might not previously have known about us.

We continue to engage in clinical and service developments, engaging in medical research, implementing new digital healthcare, and further developing the skills mix within our teams. Using our unique specialist skills and knowledge within the team to deliver training outside the hospice, raise public awareness about death and dying in a timely and supportive way.

Of course, the year hasn’t been without its challenges. We are noticing a change to the demographic of people who need our clinical services. More younger people, with increasingly complex conditions, are being admitted to our In-Patient Unit. These patients require more support, which is increasing pressure on our staff, but our wonderful team is coping admirably.

Recent legislative debates regarding assisted dying have raised the profile of palliative and end of life care and the funding required to ensure everyone can make an informed balanced decision on their needs and wants in this respect. However, funding for the hospice is still a challenge, meaning the pressure on our fundraising and retail teams is unrelenting.

Teesside Hospice wouldn’t be able to function without the support of its wider partners across the system. This year has seen further integration and even closer collaboration with our health partners at South Tees NHS and social care in Middlesbrough, Redcar and Cleveland. Additionally, closer co-operation within the hospice network itself continues to deliver opportunities to learn, share and collaborate in order to bring greater benefits for those we are here to serve.

This report showcases our achievements over the last year and ambitions for the next. Hospice care is very much a team activity, and my thanks go to everybody who has contributed to our work this year. Partners, supporters, donors, funders, staff, volunteers - on the front line, back office, in retail and fundraising - and others still opening doors and championing the cause on behalf of Teesside Hospice



Mike Thornicroft
Chief Executive

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2025

Directors and Trustees

The directors of the charitable company (the charity) are its Trustees for the purpose of charity law. The Trustees and officers serving during the year and since the year end were as follows:

J. Davies
M.P.R. Firman
C. Langrick
J. Sheridan
G. Whitehead – Chairperson
D Lusardi
J Hodgson –(Appointed 5/12/24)
R Pugh –(Appointed 27/2/25)
S Quinn –(Resigned 23/01/2025)

Key management personnel: All Trustees as listed above and the Senior Management Team:
Chief Executive – M. Thornicroft
Finance Director/Deputy CEO – A. Wardle(resigned 31/12/2024)
Director of Nursing & Quality – D. Edwards(resigned 31/1/2025)
HR Manager – L. McMann
Head of Retail – C. McMahan(resigned 30/04/2024)
Director of Income Generation – K De Lehenstein Collins (appointed 03/06/24)
Director of Resources – K Frazer (appointed 06/01/2025)
Director of Nursing & Quality – R Common (appointed 06/1/2025)
Head of Retail – Ashleigh Trotter- (appointed 29/07/2024)

Company registration number: 01642201

Registered charity number: 512875

Registered office: 1 Northgate Road
Linthorpe
Middlesbrough
TS5 5NW

Bankers: Royal Bank of Scotland
31 Grey Street
Newcastle Upon Tyne
NE1 6ES

Solicitors: Jacksons Law
17 Falcon Court
Preston Farm Industrial Estate
Stockton on Tees
TS18 3TU

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2025

The Trustees are pleased to present their annual report together with the financial statements of the charity and group for the year ended 31 March 2025. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the organisation's Memorandum and Articles of Association and 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 (FRS 102) (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.

Objectives and activities

The principal objective of Teesside Hospice Care Foundation during the year was that of providing hospice services for the public benefit. The hospice exists to enhance the quality of life for those suffering from life-limiting illness and offers specialist palliative care and support to patients and carers, in the belief that each person is entitled to dignity and choice within the best provision of care.

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charities Commission. The Trustees have considered this guidance in shaping the charitable company's objectives for the year and planning current and future activities. Further details of the activities which provide public benefit are given below.

The hospice benefits the public by providing all of its services free of charge. The main catchment areas are Middlesbrough and Redcar & Cleveland. If it is appropriate, the Hospice accepts referrals from anywhere in the UK without prejudice. The clinical services at Teesside Hospice are provided for individuals with a life-limiting illness and this care is available regardless of their diagnosis. Although the majority of patients have advanced cancer, non-cancer diagnoses are also treated. Bereavement counselling services (adult and children) are accessible to any individual suffering from bereavement.

Teesside Hospice helps many members of the public each year and relies on other sources of income such as grants, donations and trading activities to cover its operating costs.

Strategic aim and objectives

The charity's strategic aim is to provide holistic palliative care at any point during a life-limiting illness. The majority of the charity's work focuses upon pain and symptom control and end of life care. All the charitable activities are undertaken to further our charitable purposes for the public benefit and fully reflect the purposes that the charitable company was set up to further.

Teesside Hospice is greatly supported by the local community and relies on voluntary help. The Hospice has an established team of volunteers who offer their time to all areas of the hospice. The volunteers are a valued resource to the organisation, enabling lower staff costs than would otherwise be the case. The active volunteer workforce has increased during the year and the count which we aim to increase further is approximately 375.

Our strategic plan was updated in January 2025 and was set for the next 3 years until 2028. The Board of Trustees and Senior Management Team hold the details which fall under the following four areas:

- Clinical – We will widen services, deliver services to people where they need them, be the preferred deliverer for Specialist palliative care, deliver excellent Lymphoedema, mental health and wellbeing services to our beneficiaries and provide effective support for complex grief and trauma.

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2025

-
- Income Generation – We aim to be the charity of choice across Teesside, increase sustainable income in fundraising and retail to help grow our services. We will engage with our community to develop and improve doner experience.
 - People – We aim to be the best place to work and volunteer in Teesside, and to embrace and support the wellbeing of staff and volunteers.
 - Resources – We aim to reduce our reliance on statutory funding, to grow and develop new commercial income initiatives, to embed environmental sustainability into all aspects of our work. To continually improve efficiencies and effectiveness utilising technology to keep up with trends.

Activities for achieving objectives

The charity's range of specialist palliative care services include:

- Ten bedded Inpatient Unit providing specialist care for patients with complex symptoms and end of life care
- Wellbeing Services empowering those in our care to achieve their goals and improve their quality of life
- Bereavement Counselling Services offering counselling for complex grief and trauma to adults and young people from the age of 7 years and up
- Community In-Reach in partnership with the Adult Social Care Discharge Fund to work alongside colleagues from the acute trust to increase assessment and planning capacity within the network
- Tees wide specialist Lymphoedema clinics

Structure, governance and management

Governing document

Teesside Hospice Care Foundation is a charitable company limited by guarantee (incorporated 9 June 1982 No. 01642201) and as such is governed by its Memorandum and Articles of Association, last amended by special resolution dated 27 August 2020. It is registered as a charity with the Charity Commission (No. 512875). Members of the charitable company are the Trustees who have guaranteed liabilities of the company up to a maximum of £1 each.

Governing body

The charitable company has a Board of Trustees in accordance with its Articles of Association, who are required to serve as members of the charitable company. The Board is made up of the Trustees who are elected by the members at a Board meeting. Each Trustee is required to meet specifications concerning eligibility, personal competence, specialist skills and local availability.

Teesside Hospice (Trading) Limited is 100% owned by the Charity. The Trustees have no interest in the shares of the subsidiary company, other than as directors of the parent company.

Trustee recruitment, induction and training

Trustees are recruited through word of mouth or through advertising in the local press and on our own website.

Whilst new Trustees are often familiar with the work of the hospice, they are inducted into the working environment of the hospice. New Trustees receive a detailed induction, an explanation and discussion session is also held with both the Chair and Chief Executive, where new Trustees are briefed on their legal obligations under both Company law and Charity Law. Trustees are also encouraged to spend time with Senior Managers from across the organisation and this has been found to be highly beneficial. Trustees also have an annual away day.

All Trustees give their time voluntarily and receive no benefits from the charitable company. Any expenses reclaimed from the charitable company are set out in note 14 to the financial statements.

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2025

No members of the Board of Trustees have served a term longer than the recommended period of nine years and Board composition has been heavily reviewed in prior years, and continues to be, to ensure an appropriate skill mix is present.

Organisational structure

The Board currently consists of 8 Trustees who meet at least four times per year to determine both the general and strategic direction and policy of the charity, and to review its overall management and control for which they are legally responsible. Other sub-committees (finance & facilities, fundraising, workforce development, quality & performance) meet as appropriate to discuss relevant issues. All sub-committees report back to the Trustees and have Trustee representation. In addition, the Senior Management Team meet fortnightly. Each sub-committee has a mandate from the Board to receive, consider and agree policies on behalf of the Board with the exception of those policies deemed by the committee to be contentious or of particular significance to the organisational culture. In these cases, the chair of the committee will then have the responsibility of presenting the policy for discussion at the next Board Meeting or convening a special meeting of Board members if deemed necessary.

A Chief Executive is appointed by the Trustees to manage the day-to-day operations of the charity and responsibility for the provision of the services rests with the Chief Executive. A scheme of delegation is in place, ensuring that the charity delivers the services specified and the Chief Executive is aided in his duties by departmental managers.

Pay policy for key management personnel

The Trustees consider that key management comprise the charity's Trustees and the Senior Management Team who are in charge of directing and controlling, running and operating the charity on a day-to-day basis. All Trustees give of their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in notes 14 and 34 to the accounts.

With effect from 1 April each year the National Minimum Wage (NMW) increases. For the 2024/25 year, pay was increased for all staff including SMT by a varying percentage. Teesside Hospice strives to pay all its staff at an appropriate level taking into account our financial position and market pressures.

Staff

Teesside Hospice is committed to providing a working environment which is free from discrimination and encourages diversity and promotes a positive culture whilst developing itself as an 'employer of choice'. Our aim is to be truly representative of all sections of society and for each member of staff to feel respected and able to give their best. This policy extends beyond staff and volunteers to all service users, stakeholders and supporters.

The Teesside Hospice staff and volunteer survey encompasses all aspects of the workforce, paid and unpaid, and was completed in December 2024. The majority of responses were completed online. This was sent to all employees and all volunteers where an email address was on record via the HR team and for those who required it, a number of paper surveys were also provided – all responses both online and in paper format were anonymous. We received a total of 151 responses which was a 34% increase from the May 2023 survey.

In 2024 we signed up for the Aging Better Pledge and renewed our Disability Confident Pledge.

Our fundraising practice

Teesside Hospice's Fundraising Committee ensures that appropriate scrutiny and oversight has been applied to fundraising activity, performance and delivery. Development opportunities and future growth is debated, planned and actioned. The Committee meets quarterly whilst the SMT member of staff with day to day operational responsibility for fundraising activity (including lottery activity) is the Director of Income Generation. Teesside Hospice is registered with the Fundraising Regulator and is a member of the Hospice Lotteries Association. There have been no failures to comply with regulation nor have there been any complaints received. Risks associated with fundraising activity are continuously examined by inclusion in the operational risk register. In April 2022 we commenced using an external

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DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2025

company to recruit new lottery members and it was ensured that their work was conducted in accordance with the agreed contract, reflecting the values and behaviours expected by Teesside Hospice. All staff and third parties receive training on protecting vulnerable individuals - if it is felt that a person is not capable of making an informed decision about supporting Teesside Hospice, e.g. because of mental health problems, learning disabilities or substance misuse relating to alcohol or drugs, attempts must not be made to sell any fundraising related product. Teesside Hospice operates an over 18s policy in respect of lottery membership and education is provided to staff on ways to spot a problem gambler.

Related parties

The charity's wholly owned subsidiary, Teesside Hospice (Trading) Limited is established to provide a trading arm to the charity. The principal activities of the subsidiary are that of lottery organiser and charity shopkeeper. The subsidiary gift aids all of its taxable profits to the charity.

Strategic Report

Achievements and performance

The charitable company's policies in the pursuit of its objectives are kept under regular review. The Board of Trustees considers the activities of the company during the year to be satisfactory. The funds and resources are used entirely for its main objective. The movements in funds are described in the consolidated statement of financial activities on page 16.

The Quality and Performance Committee

The Quality and Performance Committee is designated by the Board of Trustees to oversee the development and implementation of the professional framework for nursing, medicine, allied health and social care disciplines at Teesside Hospice. Issues relating to national, regional and local policies are debated, ratified and actioned by the committee in line with the agreed terms of reference. Membership of the committee is made up of multi professional staff that all contribute to the success of the committee.

Subgroups are formed as required and report to the Quality and Performance Committee.

Teesside Hospice always strives to deliver excellent, much needed services to the local people and its success depends on the delivery of safe, responsive and effective care and how valued we are by the people that need us. We monitor the care we provide, seek assurances that we provide high standards of care and outline aspirations that support our delivery of the strategic aims. Feedback from our patients, families and friends is very important to us so that we can understand their personal experiences. They are at the centre of everything we do at the hospice. This enables the translation of user comments into real improvements. We use this feedback to continuously strive to improve the quality of our services. Feedback can be obtained via questionnaires, patient and carer groups, surveys, outcome reports, suggestions and comments and complaints and compliments. Throughout the year, there has been continuous evaluation of the services and any concerns have been addressed in a timely way.

The Care Quality Commission

Teesside Hospice is required to register with the Care Quality Commission (CQC) and its current registration status is for the following activities:

- Treatment of disease, disorder or injury

Teesside Hospice is registered with the following conditions:

- Services are provided for people over 18 years old
- The maximum of 10 patients may be accommodated overnight

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2025

The last unannounced routine inspection of Teesside Hospice took place on 16th March 2016. Our feedback was very positive and we received an overall rating of GOOD for our service. No areas were rated as inadequate. On 8th February 2021, relevant members of the SMT had a Transitional Monitoring Approach (TMA) call with the CQC. Positive feedback was given, and this did not result in any follow-up action such as an immediate visit. The CQC now use a mix of onsite and offsite monitoring and in accordance with this approach, they carried out a review of the data about Teesside Hospice in July 2022. They found no evidence to suggest that they needed to carry out an on-site inspection or reassess our rating. Regular contact is maintained with the CQC as appropriate.

Inpatient Unit (IPU): There were 154 patients who received inpatient care (170 episodes of care) with a variety of complex needs. The average length of stay for patients is 16 days. 34% of patients were discharged to their homes or a care home. 65% of patients received end of life care and 1% were discharged to the hospital/other services.

Wellbeing Centre: 2024/25 There were 642 face-to-face sessions with 2,440 patient contacts which were individual and group sessions involving morning and afternoon programmes. 1,003 telephone contacts were made to patients.

Lymphoedema Service: The lymphoedema clinic received 776 referrals over the course of 2024/2025. There were 3,644 patient interactions including clinic/home visit appointments, education, advice calls and IPU and Wellbeing patients seen. There were 1,449 patients on the lymphoedema clinic caseload at the end of March 2025.

Bereavement Counselling Service: From April 2024 to March 2025 there were 1,821 bereavement counselling appointments attended (individual adults: 208 attended 1,821 appointments and children & young persons: 57 attended 207 appointments). These appointments were face to face, either as individual or group sessions

Volunteers

Teesside Hospice has an established team of volunteers who offer their time to each department across both the Trading Company and the Charity. The current headcount is in the region of 370 volunteers working side by side with paid staff to support them to fulfil their duties. Volunteers are a valued resource to the organisation, and we recognise their commitment and value. The Board of Trustees and Trading Company Directors, who have uppermost authority for controlling the activities of Teesside Hospice are volunteers.

Financial review

The Financial Statements are prepared in accordance with Financial Reporting Standard 102 (FRS 102) and the Charities SORP (2019).

Teesside Hospice, for 2024-25 generated a deficit of (before unrealised investment gains) of £187,895. Without legacy income this result would have been deficit (£846,110). We commenced the year with a deficit budget of (£333,021) (excluding unrealised gain/loss on investment). The position at the year-end was more favourable than anticipated. The principal positive variances arose from: supplementary Integrated Care Board (ICB) funding in respect of additional support services provided, and legacy income outperforming expectation. There were negative variances in both fundraising and retail income and additional measures have been put in place to address this going forward.

Donations and legacies have decreased by £244,555 (11%). Legacy income is the largest contributor to this income heading and is very unpredictable. Legacy income totalled £658,215 which although was over budget was a decrease of £220,930 on the prior year. Legacy income has contributed £7.2 million in the last fifteen years. This year our legacy donations included a property that we have now refurbished and intend to let out to generate rental income. Donations have decreased very slightly in the year which is predominantly because of not receiving as many grants in 2024-25. Sponsored events income and general donations increased in relation to the prior year.

Charitable activities income has increased in total by £139,651 primarily due to contract value increases, and funding to support Stockton Patients.

TEESSIDE HOSPICE CARE FOUNDATION

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For the year ended 31 March 2025

Trading income has decreased by £93,191. This includes an increase in catering contributions of £14,013. Retail sales have reduced by £20,876; fundraising has reduced by £46,110 and lottery reduced by £44,218. Changes have been made to both retail fundraising and lottery in 2024-25 and it is anticipated that results will improve in 2025-26.

Expenditure on charitable activities on page 17 has increased by £530,371. Whilst the commitment to the control of expenditure remains, the economic environment means that rising costs were (and are) inevitable. This is also due to the increased complexity of patients and increased demand of services across the hospice.

Cash at bank and short-term investments total £3.8 million as of 31 March 2025. Liquidity and reserves are in constant focus and we endeavour to strike a balance between cash at bank and in investments. Due to the increased levels of cash and interest rates, bank interest investment income has increased in the year by £23K.

The principal assets of the Hospice are buildings dedicated to the provision of Specialist Palliative Care Services which include the Inpatient Unit, the Wellbeing Centre and the Bereavement Counselling Centre. In February 2019 the Charity completed the purchase of land adjacent to the current Hospice buildings. The land currently adds value to the overall grounds of the hospice land and buildings but needs to be thought about in future planning.

The Charity relies on the support of the local ICBs, the support of the community and its own commercial activities to continue operating. The Trustees continue to ensure the success of the Charity through close monitoring and control of clinical and support operations and close working with local partners to ensure their continued support. A key element in the management of financial risk is a regular review of funds on deposit, investments, legacy income due, debtors, creditors and working capital.

The net decrease in unrestricted funds was (£135,076) (2024: increase £874,582). Unrestricted funds are the operational reserves of the charity. The Trustees continually review the financial sustainability of Teesside Hospice and thanks are expressed to all staff and volunteers of the hospice who have made tremendous efforts to keep running costs to a minimum whilst maintaining a high standard of care to patients and their families and a safe working environment for all staff and volunteers.

Commercial Activities

It has been another year of operating within a difficult fundraising landscape. The ever-changing environment has hit our local community hard. We have had to be resourceful and creative with our approach to income generation.

This year has seen a lot of changes in the fundraising team with a new Director of Income Generation, and a lot of changes within the team. By the end of the year however there was a new staffing structure in place for the fundraising team with them also being back to full capacity.

By focusing on what matters the most to our community and tailoring our ask to fit the operating environment, we have successfully brought in an income of £3,263,518 which was a reduction on the previous year of £117k.

Charitable Activities

Funding is provided by Clinical Commissioning Groups on behalf of the Integrated Care Boards (ICBs). In recent years, the grants received from what is now called the North East & North Cumbria ICB have seen small growth. In 2024/25, the contract value was uplifted by 1.3% then by a further 2.2%. The Hospice continues to work closely with the ICB in respect of its services.

It is recognised that legacies are a critical element of the charitable company's funding, and the timing and amount of this income is uncertain. In the fifteen years to date, the annual legacy income averages approximately £500k (excluding an exceptional legacy of £695,000 in 2014/15 which significantly increased income in that year). The

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DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2025

Board of Trustees recognises the need to continue to develop a legacy strategy whilst also developing income from other sources.

Key Performance Indicators are as follows:

| | 2024/25 | 2023/24 |
|---|-----------------|---|
| Increase in Tees Valley ICB contract value | 3.5% | 3.14% |
| Increase in Humber and North Yorkshire ICB contract value | 2.9% | 1.8% |
| Social media followers at year end – all platforms | 19,608 | 26,208 |
| (De)/Increase in total funds | (119,012) | 876,714 |
| Number of legators included in income for the year | 16 | 24 |
| Number of active retail gift aid donors in year | 6,655 | 5,880 |
| Lottery entries in last draw of the year | 9,894 | 10,377 |
| Fundraising element of income generation ROI | 2.6 | 2.9 |
| Would you recommend the service - patient satisfaction survey IPU | Definitely 100% | Definitely 96% Possibly 2% Never 2% |
| Would you recommend the service - patient satisfaction survey Wellbeing | Definitely 100% | Yes 97% Maybe/blank 3% |

Risk management

Keeping patients, families, staff and visitors safe, as well as protecting the organisation, is a fundamental principle at Teesside Hospice and as such risk management is a high priority within the organisation.

The Board of Trustees has conducted a review of the major strategic, business and operational risks to which the hospice is exposed and has produced a corporate risk register. The Senior Management Team review and update the operational risk register on (at least) a quarterly basis.

Dashboards were also produced for each department and presented at committee meetings. If there are areas of concern, or risks are identified, they are discussed at the Risk, Health and Safety Sub-Committee (RHSC) meetings and action is taken to mitigate risks. The RHSC ensures policies, procedures, systems, controls and awareness programmes are in place to minimise risks. We also engage the services of an external consultancy company to add an additional layer of scrutiny.

The diverse nature of the group's activities mean Teesside Hospice is exposed to numerous risks daily. Corporate risks include damage to reputation, fraud, compliance issues, loss of funding and IT security. Each department has had input into the operational risk register which provides further control over day-to-day risks faced.

Teesside Hospice sets expectations that all employees and volunteers will comply with all laws and regulations governing our company's behavior. When this is not the case, information is reported up internally within the organisation to Senior Management and shared with the Trustees, the external auditors and regulatory bodies as appropriate. Teesside Hospice takes compliance issues very seriously, investigating each one, and revisiting our operational controls. A full list of laws and regulations is maintained. Non-compliance is a major threat to the organisation which could result in patient services being closed or income generation being stopped.

Reserves

In considering our policy on reserves, the approach taken has been to split the reserves required into constituent parts. Firstly, to look at future forecasts in order to ascertain a working capital reserve. This encompassed looking at future budgets with a range of best to worst case scenario planning. Next it was necessary to look at income risk i.e. the figure needed to manage and survive any unprecedented or unpredicted loss of revenue and not to be used to

TEESSIDE HOSPICE CARE FOUNDATION

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For the year ended 31 March 2025

permanently fund budget deficits but to be used to manage in emergency circumstances. Finally, it was necessary to consider expenditure risk. Our risk register captures everything that would require us to draw on reserves, each risk has an estimated cost and cumulatively give rise to a need to draw on reserves should the risks become a reality.

Our acceptable balance of free reserves is reviewed annually by the Finance & Facilities Committee and moving into 2025/26 the risk based approach above has defined an acceptable level of £3,100,000. Teesside Hospice has a strong balance sheet with free reserves exceeding this figure. This excess will play heavily into the strategy to be produced in 2025/26 led by the Chairperson and CEO with input from all Trustees and SMT.

The hospice group currently has free reserves of £3,401,424 (2024: £3,714,343). In calculating free reserves, the Trustees have excluded from total funds the restricted funds (£562,545), unrestricted tangible assets (£1,003,282), the fixed assets investment properties (£289,950), the investment portfolio (£4,161,193) and designated funds (£519,799).

The above items must be excluded from total funds as it is essential to determine funds which are not subject to donor-imposed conditions (restricted) and hence are freely available for general (unrestricted) purposes. Free reserves are the resources the charity has or can make available to spend, after allowing for fixed assets and future spending plans. For full details of the designated funds and restricted funds and see notes 29 and 30.

Trustees have agreed the serious consideration of purchasing freehold property. Presently, all our retail stores are leased. The only exception to this is the premise at 410 Linthorpe Road which is owned by the charity. The lower floor is used for retail and the upper floor for office space. The addition of freehold property into our portfolio would bring a long-term asset for the business whereas rent is investing in another person's asset. A designated fund of £500k has been carried forward for the purchase of commercial property. It may be that this designation is increased in the future, but the value of this designation would be sufficient for the coming years.

Deficit budgets are forecasted, and we accept that reserves will be needed whilst we work through the current economic situation and the reviews being conducted by the NHS. We continue to look for cost improvements and new revenue initiatives. The aim is to hold sufficient free reserves to cover deficits in the future.

In line with the corporate objectives, the digital development of the organisation is a priority. Teesside Hospice will continue to take a collaborative approach to adopting digital solutions, developing digital roadmaps for each of our business functions which offer greater integration both internally and externally. We will invest in improving our knowledge, capability and confidence and as such a designated fund of £19,799 remains at the year end. Considerable investment has been made in the year into the IT infrastructure at the hospice which has been part funded by the capital Hospice UK Income.

Investment powers and policy

Under the Memorandum and Articles of Association, the charity has the power to invest moneys not immediately required for its purposes, as thought fit, subject to good practice conditions. The Board of Trustees selects a group of Trustees to form the Finance & Facilities Committee, which in turn is responsible for overseeing the selection of professional investment advisors to aid the charity in identifying suitable investment for its funds.

No additional funds have been added into the investment portfolio in the financial year. At the year end, the unrealised gain on investment holdings for the 2024/25 year amounted to £68,885 (2024: gain £255,107).

The current investment property was professionally valued with no change (2023: no change). An additional property was left in a legacy to the charity in February 2025 valued at £169,950.

Plans for future periods

The priorities for quality improvement we have identified for 2025/26 are set out below. We have selected one that will impact directly on each of the three headings: patient safety, clinical effectiveness and patient experience.

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2025

Improvement 1 – Patient Safety (Introduce an electronic paperless system to enhance non-conformance and incident Reporting)

At Teesside Hospice we are constantly innovating and looking for ways to improve quality care. Currently maintenance requests are logged via telephone. This requires our small estates and facilities team to listen to voicemails and answer the phone to listen to required repairs and maintenance. This can often take them away from urgent requests. Implementing a virtual system will allow the team to effectively and efficiently respond to maintenance requests, improving safety across the Hospice. This system will also provide a database for the user to view the status of any request and allow the hospice senior management team to provide assurance to board of continuous maintenance, service and repair of critical areas.

Effective incident management and robust health and safety systems are integral components of clinical governance, particularly within palliative and end-of-life care, where patients are especially vulnerable and care delivery is often complex. The Hospice currently operates a paper-based incident reporting system which is overseen by an incident reporting group, reporting to the Hospice board via the Risk Health and Safety subcommittee. Introducing a new electronic incident reporting system will update current processes and support a learning-focused, system-level approach to managing patient safety events, which is particularly important in settings with low incident volumes but high emotional and clinical sensitivity (NHS England, 2022).

In palliative care, ensuring comfort and dignity is paramount. Incidents such as medication errors, pressure damage, falls and/or communication breakdowns can have significant emotional impacts. Reporting and learning from these incidents help improve outcomes and align care with patient preferences (Gomes et al., 2013). Incident management and risk systems, guided by Patient Safety Incident Response Framework (PSIRF), are crucial for improving safety, supporting staff, and fostering compassionate learning in palliative and end-of-life care. In settings where harm can be deeply personal, a sensitive, systems-based approach to safety is not only best practice—it is ethically essential.

Throughout 2025 we will develop an implementation plan which will be overseen by the Risk Health and Safety Committee. The plan will ensure delivery of the project in a staged manner utilising a co-design process ensuring key hospice stakeholders are involved.

Throughout the year key milestones will be highlighted and delivered commencing with the launch of a new maintenance portal allowing staff to log maintenance and service requests electronically. The service will be evaluated by seeking staff feedback and any adjustments required will be implemented. Once this is established and outcomes are evaluated the project will progress to implement other key milestones over coming years including: -

- Development of electronic incident reporting
- Development of incident reporting dashboards for all services
- Development of risk assessment module
- Development of audit schedule
- Development of COSHH database

Incident management and risk systems, are crucial for improving safety, supporting staff, and fostering compassionate learning in palliative and end-of-life care. In settings where harm can be deeply personal, a sensitive, systems-based approach to safety is not only best practice it is ethically essential. Our new system-based approach will support our Hospice vision.

Improvement 2 – Clinical Effectiveness (Improve the current clinical referral process to enhance quality of care)

Clinical research and national evidence (Huie et al, 2016) highlight significant variability in referral processes across palliative and end-of-life care services, contributing to delays, incomplete information, and inconsistencies in patient access. These issues can lead to fragmented care, delayed admissions, and suboptimal outcomes. At a local level, the current referral process reflects these challenges.

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2025

To address them, the Hospice clinical team will co design and lead the development and implementation of a streamlined, standardised referral system to ensure timely, efficient, and coordinated transitions of care. This quality improvement project will be supported by Quality Improvement methodology and co-produced with system partners.

How will this be achieved?

- The clinical team will review the current referral criteria and process utilising Quality Improvement (Qi) tools such as process mapping and Cause and effect to understand the challenges and develop ideas for change.
- A project plan will be developed with key stakeholders.
- Areas for improvement and testing will be agreed utilising Plan, Do, Study, Act cycles of positive change.
- Once evaluated a communication strategy will be developed to share learning and new referral processes with system partners.

Improvement 3 – Patient Experience (Implementation of Purpose T to improve Patient Experience in Palliative Care)

As part of our ongoing commitment to improving the quality of care and patient experience, this year we have chosen to focus upon improving pressure ulcer clinical assessment. We want to ensure that patients who are at risk of developing pressure ulcers are correctly identified and assessed utilising the latest evidenced based practice.

Purpose T, which stands for the Pressure Ulcer Primary Or Secondary Evaluation Tool is an evidence-based framework developed to support clinical teams in the early identification and management of patients at risk of developing pressure ulcers. It promotes a structured, person-centred approach to skin assessment, enabling timely interventions that reduce avoidable harm.

Within palliative care, patients are particularly vulnerable to skin breakdown due to reduced mobility, frailty, and complex symptom management needs. By embedding Purpose T into routine care practices, we will strengthen our ability to:

- Detect early signs of pressure damage and deterioration,
- Deliver proactive, preventative care,
- Engage in meaningful bedside assessments that enhance patient dignity, comfort and experience of care.

How will this be achieved?

The following strategic actions have been developed to ensure the effective implementation of Purpose T and to support sustained improvements in patient experience and outcomes:

1. Leadership and Strategic Oversight

The implementation of Purpose T will be embedded into practice at Teesside Hospice ensuring alignment with national priorities (NHS Improvement, 2018). Senior nursing leaders will provide visible and sustained leadership, recognising the importance of transformational leadership in embedding cultural and behavioural change.

Progress will be governed through the Hospice Clinical Care Steering Group and reported to the Hospice Board via its subcommittee the Quality and Performance committee.

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2025

2. Staff Training and Competency Development

A targeted, interdisciplinary education programme will be delivered to staff including Medical, Nurse and Allied Health Professionals, in line with guidance from the European Pressure Ulcer Advisory Panel (EPUAP, 2019). Training will incorporate scenario-based learning and reflective practice techniques to promote clinical reasoning and confidence in applying Purpose T. The tool will be adapted to utilise in an electronic format within our local electronic patient record.

Ongoing clinical supervision, refresher training, and access to expert advice via our clinical team leaders will support the development of sustained competence and adherence to best practice standards.

3. Integration into Clinical Practice

Purpose T will be integrated into electronic patient records and nursing documentation, promoting standardised assessments and enabling audit of compliance. Its use will be embedded into multidisciplinary team (MDT) working, especially during routine bedside reviews, to support holistic and anticipatory care planning.

Clear guidance, including standard operating procedures and quick-reference tools, will be developed to support staff in the consistent application of the tool across all relevant clinical settings.

4. Patient and Family Engagement

In line with national policy on shared decision-making and personalised care (NHS England, 2022), patients and families will be informed of the Purpose T process and its role in promoting comfort and dignity during the final stages of life.

5. Monitoring, Evaluation, and Continuous Improvement

Compliance with Purpose T will be audited quarterly, with metrics including incidence of pressure ulcers in palliative care settings and quality of documentation. Data will be triangulated with incident reports and patient feedback to identify trends and inform targeted improvements.

Outcomes will also be reported via the CCSG and in the future Quality Account, reflecting our commitment to transparency and high-quality care.

This initiative supports our strategic quality priorities around safe, effective, and compassionate care, and aligns with national patient safety goals. Its implementation demonstrates our dedication to improving the end-of-life experience for patients by preventing unnecessary suffering and ensuring dignity in care.

Other plans for the future

We are fully committed to the provision of safe, caring, responsive, effective and well-led services at Teesside Hospice. The Hospice has a well-established clinical and corporate governance structure, with Trustees playing an active part in ensuring that Teesside Hospice fulfils its mission, according to its charitable objectives and in ensuring that the organisation remains responsible and compliant in all areas of regulation, health and safety, employment law and other relevant legislation. Our plans for the future involve widening access to ensure our services are accessible to the whole community as we understand there are inequalities in accessing palliative and end of life care for minority groups. We aim for further collaboration with the wider system to expand our reach.

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2025

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Auditors

The auditors, Waltons Business Advisers Limited have indicated its willingness to continue in office.

Statement of Trustees' responsibilities

The charity Trustees (who are also the directors of Teesside Hospice Care Foundation for the purpose of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group 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 in the Charities SORP (FRS 102),
- make judgments and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2025


Statement as to disclosure of information to auditors

In so far as the Trustees are aware

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the Trustees have all taken steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report was approved by the Trustees on and signed on its behalf by

Trustee



5/9/25.

INDEPENDENT AUDITORS' REPORT TO THE INDEPENDENT MEMBERS OF TEESSIDE HOSPICE CARE FOUNDATION FOR THE YEAR ENDING 31 MARCH 2025

Unqualified Opinion

We have audited the financial statements of Teesside Hospice Care Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2025 and of the charity's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 and parent charitable company 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.

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.

INDEPENDENT AUDITORS' REPORT TO THE INDEPENDENT MEMBERS OF TEESSIDE HOSPICE CARE FOUNDATION FOR THE YEAR ENDING 31 MARCH 2025

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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 groups and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE INDEPENDENT MEMBERS OF
TEESSIDE HOSPICE CARE FOUNDATION
FOR THE YEAR ENDING 31 MARCH 2025**

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

- to test the timing and existence of revenue,
- to review journals posted to key control accounts or posted around the year end, to look for potential “window dressing” as well as looking at a sample throughout the year.

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.

Use of our report

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

Waltons Business Advisers Limited

Waltons Business Advisers Limited

Chartered Accountants
Statutory Auditors
Maritime House
Harbour Walk
The Marina
Hartlepool
TS24 0UX

Date: 23/09/2025

TEESSIDE HOSPICE CARE FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 March 2025

| | Note | 2025 Unrestricted funds £ | 2025 Restricted Funds £ | 2025 Total £ | 2024 Total £ |
|---|-------|------------------------------------|----------------------------------|--------------------|--------------------|
| Income: | | | | | |
| Donations and legacies | 2 | 1,890,084 | 81,978 | 1,972,062 | 2,216,617 |
| Charitable activities | 3 | 1,613,695 | 143,319 | 1,757,014 | 1,617,363 |
| Other trading activities | 4 | 2,030,869 | 475 | 2,031,344 | 2,124,535 |
| Investments | 6 | 243,228 | - | 243,228 | 220,215 |
| Other income | 7 | 108 | - | 108 | 645 |
| Total income | | <u>5,777,984</u> | <u>225,772</u> | <u>6,003,756</u> | <u>6,179,375</u> |
| Expenditure: | | | | | |
| Raising funds: other trading activities | 8 | 2,399,712 | | 2,399,712 | 2,296,200 |
| Charitable activities | 9 | 3,586,299 | 205,640 | 3,791,939 | 3,261,568 |
| Total expenditure | | <u>5,986,011</u> | <u>205,640</u> | <u>6,191,651</u> | <u>5,557,768</u> |
| Net income/(expenditure) before other gains/losses | | (208,027) | 20,132 | (187,895) | 621,607 |
| Net gain/(loss) on investments | | 68,885 | - | 68,885 | 255,107 |
| Net income/(expenditure) | | <u>(139,142)</u> | <u>20,132</u> | <u>(119,010)</u> | <u>876,714</u> |
| Gross transfers between funds | | 4,066 | (4,066) | - | - |
| Net movement in funds for the year | | <u>(135,076)</u> | <u>16,066</u> | <u>(119,010)</u> | <u>876,714</u> |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | <u>9,510,724</u> | <u>546,478</u> | <u>10,057,202</u> | <u>9,180,488</u> |
| Total funds carried forward | 29/30 | <u>9,375,648</u> | <u>562,544</u> | <u>9,938,192</u> | <u>10,057,202</u> |

The statement of financial activities includes all gains and losses recognised in the year.

All of the above amounts relate to continuing activities.

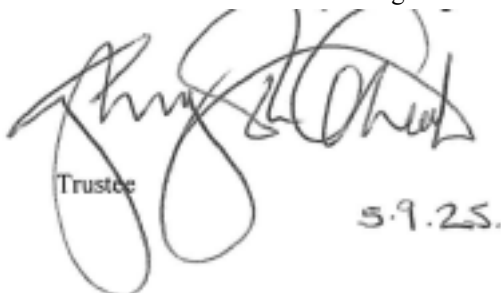
TEESSIDE HOSPICE CARE FOUNDATION
Company number 01642201
Registered Charity Number 512875

CONSOLIDATED AND CHARITY BALANCE SHEETS AT 31 MARCH 2025

| | Note | Group 2025 £ | Group 2024 £ | Charity 2025 £ | Charity 2024 £ |
|--|-------|--------------------|--------------------|----------------------|----------------------|
| Fixed assets | | | | | |
| Tangible assets | 18/19 | 1,537,913 | 1,453,013 | 1,492,439 | 1,445,787 |
| Investments | 20 | 4,529,707 | 4,320,382 | 4,529,709 | 4,320,384 |
| | | <u>6,067,620</u> | <u>5,773,395</u> | <u>6,022,148</u> | <u>5,766,171</u> |
| Current assets | | | | | |
| Stocks | 21 | 53,233 | 63,188 | 1,269 | 2,584 |
| Debtors | 22 | 514,584 | 573,765 | 571,910 | 547,917 |
| Short term investments | 23 | 1,922,665 | 3,100,537 | 1,922,665 | 3,100,537 |
| Cash at bank and in hand | | 1,834,564 | 985,658 | 1,613,870 | 888,375 |
| | | <u>4,325,046</u> | <u>4,723,148</u> | <u>4,109,714</u> | <u>4,539,413</u> |
| Creditors: amounts falling due within one year | 24 | <u>(451,237)</u> | <u>(435,979)</u> | <u>(278,008)</u> | <u>(294,563)</u> |
| Net current assets | | 3,873,809 | 4,287,169 | 3,831,706 | 4,244,850 |
| Total assets less current liabilities | | 9,941,429 | 10,060,564 | 9,853,853 | 10,011,021 |
| Creditors: amounts falling due after more than one year | 25 | <u>(3,237)</u> | <u>(3,362)</u> | <u>-</u> | <u>-</u> |
| Net assets | | <u>9,938,192</u> | <u>10,057,202</u> | <u>9,853,853</u> | <u>10,011,021</u> |
| The funds of the charity | | | | | |
| Unrestricted funds | 29 | 9,375,648 | 9,510,724 | 9,291,309 | 9,464,543 |
| Restricted funds | 30 | 562,544 | 546,478 | 562,544 | 546,478 |
| Total charity funds | 27 | <u>9,938,192</u> | <u>10,057,202</u> | <u>9,853,853</u> | <u>10,011,021</u> |

A separate Statement of Financial Activities for the Charity as an individual entity is not presented because the Charity has taken advantage of the exemption offered by Section 408 of the Charities Act 2006. The net incoming resources before gains and losses for the year for the Charity was a £226,054 deficit (2024: £632,651 surplus)

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


Trustee
5.9.25.

Trustee

TEESSIDE HOSPICE CARE FOUNDATION**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended 31 March 2025

| | Note | 2025 £ | 2024 £ |
|---|------|------------------|------------------|
| Net cash flows from operating activities | 32 | (263,238) | 352,256 |
| Cash flows from investing activities | | | |
| Income from UK listed investments | | 87,963 | 91,946 |
| Income from other investment assets | | 6,300 | 6,300 |
| Interest received | | 148,964 | 121,969 |
| Purchase of property, plant and equipment | | (168,516) | (60,947) |
| Proceeds from sale of fixed assets | | | 564 |
| Proceeds from sale of investments | | 741,665 | 758,668 |
| Purchase of financial investments | | (716,573) | (752,329) |
| Acquisition of Investment Property | | (169,950) | |
| | | <u>(70,147)</u> | <u>166,171</u> |
| Decrease in cash held in investment portfolio | | <u>4,419</u> | <u>14,943</u> |
| Net cash (used in) investing activities | | <u>(65,728)</u> | <u>181,114</u> |
| Increase in cash and cash equivalents in the year | | (328,966) | 533,370 |
| Cash and cash equivalents at the beginning of the year | | <u>4,086,195</u> | <u>3,552,825</u> |
| Total cash and cash equivalents at the end of the year | | <u>3,757,229</u> | <u>4,086,195</u> |
| Relating to: | | | |
| Cash at bank and in hand | | 1,834,564 | 985,658 |
| Short term investments | | <u>1,922,665</u> | <u>3,100,537</u> |
| Total cash and cash equivalents at the end of the year | | <u>3,757,229</u> | <u>4,086,195</u> |

The accompanying accounting policies and notes form an integral part of these financial statements.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

1 ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

BASIS OF ACCOUNTING

Teesside Hospice Care Foundation is a charitable company, limited by guarantee, registered in England. The address of the charity's registered office and principal place of business is 1 Northgate Road, Linthorpe, Middlesbrough, TS5 5NW.

Teesside Hospice Care Foundation meets the definition of a public benefit entity under FRS 102. The charity exists for the benefit of the public through the provision of hospice services to members of the public suffering from life-limiting illnesses.

These financial statements have been prepared in accordance with "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) – (Charities SORP (FRS 102)), and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost of transaction value except for investments which are included at market value, and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' effective 1 January 2019 (Charities SORP (FRS 102)) and the Companies Act 2006.

REDUCED DISCLOSURE OPTIONS

In accordance with FRS102, the Charity has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 Statement of Cash Flows – presentation of a statement of cash flow and related notes and disclosures in relation to the Charity's own statement of cash flows. A consolidated statement of cash flows is presented in these financial statements.

GOING CONCERN

FRS 102 requires that, if appropriate, the charity's and group's financial statements are prepared on the going concern basis, which means that the organisation is able to operate for the foreseeable future on the basis of known and reasonable projected resources. There are no material uncertainties in respect of the charity's and group's ability to continue as a going concern.

All areas within the organisation are constantly tasked with increasing cost-effectiveness and increasing self-generated revenue. The 2025/26 budget, and subsequent 2 year Budgets in the 3 year Budgeting process have been produced with line by line scrutiny. Measures are in place to ensure the financial position of the organisation is under constant review. The ongoing demand for services provided by the group ensures that the exposure to risk from the current difficult economic conditions is mitigated. The Trustees have prepared profit and loss forecasts and cash flow forecasts for the following 12 months and have reviewed the group's resources. Reserves are available to meet the group's needs as they arise as detailed in the reserves policy.

As a consequence, the Trustees believe the group is well placed to manage its business risks successfully and have a reasonable expectation that the charity and group have adequate reserves to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

BASIS OF CONSOLIDATION

The financial statements consolidate the results of the charity and its wholly owned subsidiary undertaking, Teesside Hospice (Trading) Limited, on a line-by-line basis. All financial statements are made up to 31 March 2025, and consistent accounting policies are used.

A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

INCOME

Income is recognised in the statement of financial activities when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably. The following policies are applied to particular categories of income:

Donations and legacies are received by way of grants, donations, legacies and gifts and are recognised where there is entitlement, receipt is probable, and the amount can be measured with sufficient reliability.

Legacies are included when the charitable company is advised by the personal representatives of an estate, whereby probate has been granted, and that payment will be made, or property transferred provided that sufficient information has been received to enable valuation of the charity's entitlement and hence the amount involved can be quantified.

Gifts in kind, which include donated drugs and dressings, is included as income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. The amount included in note 3 is £48,512 (2024: £47,244) of which £33,448 was drugs and dressings purchased then recharged to the ICB and £15,487 was the value of donated drugs and dressings. No income is recognised where there is no financial cost borne by a third party.

Income from charitable activities also include fees and grants received for services within contracts for operational programmes, and the income is recognised in the period in which it is receivable

Income from investments is included in the year in which it is receivable.

Income generated by the charitable company's sole subsidiary, is included within other trading activities income, and is included in the period in which the income is receivable. The charity lets a non-investment property to the trading subsidiary in furtherance of the charity's objects. Rental/service charge income and expenditure is removed on consolidation. The group also operates a donor procurement and management recharge agreement in relation to Retail Gift Aid donors. The income and expenditure is removed on consolidation.

Government grant income is recognised in the statement of financial activities when the group has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Where a grant is receivable as compensation for costs already incurred or for immediate financial support, with no future related costs, the grant is recognised as income in the period in which it is receivable.

Gifts donated for resale are included as income when they are sold. The Trustees acknowledge that they are assets of the Charity as soon as received but due to the fact that a very large number of small value items are received, the time and cost of valuing donated goods at receipt would outweigh any benefit (of having them valued) to the users of the financial statements. 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 a sale.

TEESSIDE HOSPICE CARE FOUNDATION

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RESOURCES EXPENDED

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is included in the Statement of Financial Activities on an accruals basis inclusive of any VAT which cannot be fully recovered.

Costs of raising funds are those incurred in attracting voluntary income, and the costs of the trading subsidiary for fundraising purposes.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries, and includes both the direct costs and support costs relating to these activities and an apportionment of support and governance costs.

Certain expenditure is directly attributable to specific activities and have been included in these categories. Certain other support costs, which are attributable to more than one activity, are apportioned across costs categories using methods including floor space, activity and headcount.

OPERATING LEASE AGREEMENTS

The group as a lessee

The charity classifies the lease of properties as operating leases. Rental charges are charged to the statement of financial activities on a straight-line basis of the period of the lease.

The group as lessor

Rental income from assets leased under operating leases is recognised on a straight-line basis over the term of the lease.

FUNDS ACCOUNTING - The funds held by the charity are:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

Designated funds – these are funds that comprise general funds that have been set aside at the discretion of the trustees for specific purposes. The purpose and use of these designated funds is set out in the notes to the financial statements.

Restricted funds – these are funds that can only be used for funds within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

TANGIBLE FIXED ASSETS

Tangible fixed assets are initially measured at cost and subsequently measured at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

| | | |
|----------------------------------|---|--|
| Freehold buildings | - | Straight line over forty years |
| Freehold land | - | Nil |
| Leasehold improvements | - | Straight line over the term of the lease |
| Computer equipment | - | 33% straight line |
| Fixtures, fittings and equipment | - | 15%-25% straight line |
| Motor vehicles | - | 25% straight line |

INVESTMENTS

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in income and expenditure.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

Fixed asset investments held in the form of shares or securities are included at mid-market value at the balance sheet date. Realised gains and losses on investments are calculated as difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the SOFA in the year of disposal. Unrealised gains and losses represent the movement in the market values during the year and are credited to the statement or charged to the SOFA based on market value at the year end. Fixed asset investment property is measured at fair value whilst a reliable measure of fair value is available without undue cost or effort. Changes in fair value are recognised in the SOFA.

Short term investments are deposits held in fixed term bank accounts on which penalties would be incurred if funds were withdrawn before maturity.

STOCK

Stock is valued at the lower of cost and net realisable value. Items donated for resale are included in the financial statements when they are sold.

DEBTORS

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

CASH AT BANK AND IN HAND

Cash at bank and cash in hand includes cash held at bank and cash held in short term investments.

CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

FINANCIAL INSTRUMENTS

The charity has elected to apply the provisions of Section 11 “Basic Financial Instruments” and Section 12 “Other Financial Instruments Issues” of FRS 102, in full to all of its financial instruments. All of the charities financial assets and financial liabilities qualify as basis financial instruments. Basic Financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Financial assets: Trade and other debtors

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities: Trade and other creditors

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not resolved at the balance sheet date where transactions or events have occurred at that date will result in an obligation to pay more, or a right to pay less or to receive more tax with the following exceptions:

TEESSIDE HOSPICE CARE FOUNDATION

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For the year ended 31 March 2025

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be capitalised as an intangible fixed asset or a tangible fixed asset.

Employees are entitled to carry forward unused holiday entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employee's services are received.

Provision for termination benefits are recognised only when the company is demonstrably committed to terminate the employment of an employee, or a group of employees, before their normal retirement date or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

RETIREMENT BENEFITS

Multi-Employer Plan

The charitable company's clinical staff are eligible to contribute to the NHS pension scheme, a career average scheme. Contributions are made by both the employer and the employee. The pension scheme is a multi-employer scheme. The charitable company is unable to identify its share of the underlying assets and liabilities of the scheme; the scheme is therefore accounted for as a defined contribution scheme in accordance with FRS102. Contributions are recognised as income and expenditure in the period to which they relate as there is insufficient information available to use defined benefit accounting.

Where applicable, a liability is recognised for contributions arising from an agreement with the multi-employer plan that determines how the charity will fund a deficit. Contributions are discounted when they are not expected to be settled wholly within 12 months of the period end.

Defined contribution plan

The charitable company also contributes to the personal pension scheme of certain other employees. The pensions costs charged in the financial statements represent the contribution payable by the charitable company during the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical areas of judgement

In categorising leases as finance leases or operating leases, management makes judgments as to whether significant risks and rewards of ownership have transferred to the charity as lessees, or the lessee, where the Charity is lessor.

Legacy recognition - legacies are recognised on a case by case basis after considering whether probate has been granted, and when the executor of the estate has communicated in writing both the amount and settlement date and hence there is sufficient information received to be able to value the charity's entitlement.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

2 DONATIONS AND LEGACIES

| | Unrestricted funds £ | Restricted funds £ | 2025 Total £ | 2024 Total £ |
|--------------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| General donations | 309,850 | 9,151 | 319,001 | 305,390 |
| Sponsored events | 305,755 | - | 305,755 | 298,653 |
| 'In Memory' donations | 112,560 | - | 112,560 | 131,224 |
| Placements/teaching | 8,854 | - | 8,854 | 4,607 |
| Retail sales applicable for Gift Aid | 365,339 | - | 365,339 | 340,020 |
| Gift Aid on retail | 91,395 | - | 91,395 | 85,048 |
| Grants and trusts received | 38,116 | 72,827 | 110,943 | 154,530 |
| Legacies | 658,215 | - | 658,215 | 897,145 |
| | <u>1,890,084</u> | <u>81,978</u> | <u>1,972,062</u> | <u>2,216,617</u> |
| 2024 total | <u>2,086,596</u> | <u>130,021</u> | <u>2,216,617</u> | |

Teesside Hospice has an established team of volunteers who offer their free time to the organisation. In accordance with FRS 102 and the Charities SORP (FRS 102) Section 6, the economic contribution of general volunteers is not recognised in the accounts in the absence of a reliable measurement basis. The current headcount approximately 375

3 INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted funds £ | Restricted funds £ | 2025 Total £ | 2024 Total £ |
|----------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| North East and North Cumbria ICB | 804,295 | - | 804,295 | 768,475 |
| Drugs from ICB and Acute Trust | 48,512 | - | 48,512 | 47,244 |
| Lymphoedema clinic | 684,138 | 67,915 | 752,053 | 727,543 |
| Other ICB recharges | 76,250 | - | 76,250 | 74,101 |
| Hospice UK Grant | 500 | 75,404 | 75,904 | |
| | <u>1,613,695</u> | <u>143,319</u> | <u>1,757,014</u> | <u>1,617,363</u> |
| 2024 total | <u>1,551,997</u> | <u>65,366</u> | <u>1,617,363</u> | |

4 OTHER TRADING ACTIVITIES

| | Unrestricted funds £ | Restricted funds £ | 2025 Total £ | 2024 Total £ |
|-------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Retail sales | 1,122,960 | - | 1,122,960 | 1,143,836 |
| Local authority grant funding | 4,000 | - | 4,000 | |
| Fundraising | 220,536 | 475 | 221,011 | 267,121 |
| Lottery | 610,449 | - | 610,449 | 654,667 |
| Catering/coffee shop | 72,924 | - | 72,924 | 58,911 |
| | <u>2,030,869</u> | <u>475</u> | <u>2,031,344</u> | <u>2,124,535</u> |

Of the income from other trading activities in 2024 £2,121,478 related to unrestricted funds and £3,057 to restricted funds.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

5 TRADING SUBSIDIARY

The charity controls the company listed below by virtue of holding a controlling interest in the equity share capital:

| Name of subsidiary | Country of incorporation | % of equity share capital held |
|------------------------------------|--------------------------|--------------------------------|
| Teesside Hospice (Trading) Limited | England and Wales | 100 |

Teesside Hospice Group consists of two companies. The holding company is Teesside Hospice Care Foundation (Limited by Guarantee) and its 100% subsidiary is Teesside Hospice (Trading) Limited.

The subsidiary company, Teesside Hospice (Trading) Limited is incorporated in England & Wales and undertakes trading and fundraising activities. Company Number of Teesside Hospice (Trading) Limited is 02265205. Taxable profits from this company are donated to the Hospice by Gift Aid, a fact which is referred to in the trading company's publicity material. The activities of the subsidiary have been consolidated on a line by line basis in the SOFA.

Two members of the charity's Board of Trustees plus two members of the Senior Management Team sit are Directors of the subsidiary.

The trading results of the subsidiary, as extracted from the audited financial statements, are summarised as follows:

| | 2025 £ | 2024 £ |
|---|----------------|----------------|
| Turnover | 1,733,409 | 1,798,503 |
| Total expenditure | (1,699,806) | (1,643,555) |
| Other income | 355,499 | 309,326 |
| Taxation (deferred tax credit - reversal of timing differences) | | - |
| Profit after tax for the year | <u>389,102</u> | <u>464,274</u> |

The assets and liabilities of Teesside Hospice (Trading) Limited were:

| | 2025 £ | 2024 £ |
|-------------------------|---------------|---------------|
| Assets | 507,500 | 214,154 |
| Liabilities | (423,159) | (167,971) |
| Total net assets | <u>84,341</u> | <u>46,183</u> |

6 INVESTMENTS

| | Unrestricted funds £ | 2025 Total £ | 2024 Total £ |
|--------------------------------------|-------------------------|--------------------|--------------------|
| Income from UK investment properties | 6,300 | 6,300 | 6,300 |
| Income from UK listed investments | 87,964 | 87,964 | 91,946 |
| Bank interest receivable | 148,964 | 148,964 | 121,969 |
| | | 243,228 | |
| | <u>243,228</u> | <u></u> | <u>220,215</u> |

The investments income in 2024 all related to unrestricted funds.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

7 OTHER INCOME

| | Unrestricted funds £ | 2025 Total £ | 2024 Total £ |
|------------------------------|-------------------------------------|-----------------------------|--------------------|
| Sundry income | 108 | 108 | 81 |
| Profit on disposal of assets | | | 564 |
| | <u>108</u> | <u>108</u> | <u>645</u> |

The other income in 2024 all related to unrestricted funds.

8 RAISING FUNDS: COMMERCIAL TRADING ACTIVITY

| | Unrestricted Funds £ | Restricted funds £ | 2025 Total £ | 2024 Total £ |
|----------------------------|-------------------------------------|-----------------------------------|-----------------------------|--------------------|
| Wages & salaries | 1,277,186 | - | 1,277,186 | 1,193,693 |
| Other costs | 1,088,452 | - | 1,088,452 | 1,075,583 |
| Depreciation | 4,661 | - | 4,661 | 9,968 |
| Investment management fees | 29,413 | - | 29,413 | 18,956 |
| | <u>2,399,712</u> | <u>-</u> | <u>2,399,712</u> | <u>2,296,200</u> |
| 2024 total | <u>2,285,750</u> | <u>10,450</u> | <u>2,296,200</u> | |

9 COSTS OF CHARITABLE ACTIVITIES – BY FUND TYPE

| | Unrestricted funds £ | Restricted funds £ | 2025 Total £ | 2024 Total £ |
|-------------------------|-------------------------------------|-----------------------------------|-----------------------------|--------------------|
| I P U | 2,164,247 | 93,929 | 2,258,176 | 1,956,743 |
| Wellbeing & Lymphoedema | 1,200,240 | 98,267 | 1,298,507 | 1,090,643 |
| Bereavement Counselling | 221,812 | 13,444 | 235,256 | 214,182 |
| | <u>3,586,299</u> | <u>205,640</u> | <u>3,791,939</u> | <u>3,261,568</u> |
| 2024 total | <u>3,075,706</u> | <u>185,862</u> | <u>3,261,568</u> | |

10 COSTS OF CHARITABLE ACTIVITIES – BY ACTIVITY

| | Direct costs £ | Support costs £ | 2025 Total £ | 2024 Total £ |
|-------------------------|---------------------------|----------------------------|-----------------------------|--------------------|
| I P U | 1,713,027 | 545,149 | 2,258,176 | 1,956,743 |
| Wellbeing & Lymphoedema | 978,427 | 320,080 | 1,298,507 | 1,090,643 |
| Bereavement Counselling | 139,042 | 96,214 | 235,256 | 214,182 |
| | <u>2,830,496</u> | <u>961,443</u> | <u>3,791,939</u> | <u>3,261,568</u> |
| 2024 total | <u>2,451,589</u> | <u>809,979</u> | <u>3,261,568</u> | |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

11 ANALYSIS OF DIRECT AND SUPPORT COSTS

| DIRECT COSTS | IPU | Wellbeing and Lymph- oedema | Bereavement Counselling | 2025 Total | 2024 Total |
|-----------------------------|------------------|--|------------------------------------|-----------------------|-----------------------|
| | £ | £ | £ | £ | £ |
| Staff costs | 1,500,802 | 559,224 | 134,912 | 2,194,938 | 1,937,578 |
| Establishment | 54,258 | 4,139 | - | 58,397 | 27,090 |
| Computer / Equip / IT Costs | 8,768 | 3,777 | 943 | 13,488 | |
| Drugs and dressings | 87,754 | 402,293 | - | 490,047 | 418,234 |
| Cleaning Supplies | 8,966 | 2,989 | - | 11,955 | 11,301 |
| Volunteer costs | 1,015 | 53 | - | 1,068 | 1,968 |
| Uniforms | 1,766 | 538 | 888 | 3,192 | 1,666 |
| Counselling resources | - | - | 2,009 | 2,009 | 900 |
| General expenses | 2,268 | 5,414 | 290 | 7,972 | 4,302 |
| Depreciation | 47,430 | - | - | 47,430 | 48,550 |
| | <u>1,713,027</u> | <u>978,427</u> | <u>139,042</u> | <u>2,830,496</u> | <u>2,451,589</u> |
| 2024 total | <u>1,515,475</u> | <u>816,212</u> | <u>119,902</u> | <u>2,451,589</u> | |

| SUPPORT COSTS | IPU | Wellbein g and Lymph- oedema | Bereavement Counselling | 2025 Total | 2024 Total |
|-------------------------------|----------------|---|------------------------------------|-----------------------|-----------------------|
| | | £ | £ | £ | £ |
| Staff costs | 298,529 | 212,083 | 65,693 | 576,305 | 492,239 |
| Training and HR | 38,212 | 17,261 | 3,730 | 59,203 | 25,079 |
| Cleaning supplies | 13,193 | 4,965 | 808 | 18,966 | 16,824 |
| Establishment Costs | 79,407 | 44,139 | 15,176 | 138,722 | 181,087 |
| Computer / Equipment/IT costs | 32,899 | 15,166 | 3,286 | 51,531 | - |
| Kitchen supplies | 31,647 | - | - | 31,647 | 28,345 |
| Uniforms | 121 | 55 | 12 | 188 | 203 |
| General expenses | 23,904 | 11,018 | 2,387 | 37,309 | 30,136 |
| Depreciation | 18,148 | 9,916 | 3,462 | 31,526 | 24,193 |
| Irrecoverable VAT | 836 | 1,672 | 836 | 3,344 | 1,060 |
| Governance costs | 8,253 | 3,805 | 824 | 12,882 | 10,813 |
| | <u>545,149</u> | <u>320,080</u> | <u>96,214</u> | <u>961,443</u> | <u>809,979</u> |
| 2024 total | <u>441,268</u> | <u>274,431</u> | <u>94,280</u> | <u>809,979</u> | |

Support costs have been allocated using varying methods as described in resources expended on page 20

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

12 GOVERNANCE COSTS

| | Unrestricted Funds £ | 2025 Total £ | 2024 Total £ |
|-----------------------------|-------------------------------------|-----------------------------|--------------------|
| Auditor remuneration | 10,281 | 10,281 | 9,050 |
| Internal audit | 2,567 | 2,567 | 1,600 |
| Legal and professional fees | 34 | 34 | 163 |
| | <u>12,882</u> | <u>12,882</u> | <u>10,813</u> |

The governance costs in 2024 all related to unrestricted funds.

13 NET INCOMING RESOURCES FOR THE YEAR

| | 2025 £ | 2024 £ |
|--|-------------------|----------------|
| Net incoming resources for the year are stated after charging: | | |
| Auditor's remuneration | 14,997 | 13,035 |
| Non audit services | 215 | 560 |
| Depreciation of owned fixed assets | 83,617 | 82,711 |
| Profit on disposal of assets | | (564) |
| Operating lease rentals – land and buildings | 241,012 | 217,935 |
| | <u>241,012</u> | <u>217,935</u> |

14 ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND COST OF KEY MANAGEMENT PERSONNEL

| | Costs of raising funds £ | Charitable expenditure £ | 2025 Total £ | 2024 Total £ |
|--|---|---|-----------------------------|--------------------|
| Wages and salaries | 1,144,580 | 2,329,242 | 3,473,822 | 3,092,379 |
| Social security costs | 90,688 | 201,851 | 292,539 | 245,484 |
| Pension costs | 35,018 | 161,046 | 196,064 | 224,512 |
| Termination payments | | 2,537 | 2,537 | 8,989 |
| Salaries paid via service level agreements | 6,900 | 76,567 | 83,467 | 52,146 |
| | <u>1,277,186</u> | <u>2,771,243</u> | <u>4,048,429</u> | <u>3,623,510</u> |

Employees' emoluments

The number of employees who earned more than £60,000 excluding company pension and national insurance contributions during the year was as follows:

| | 2025 Number | 2024 Number |
|--------------------|------------------------|----------------|
| £90,000 to £99,999 | <u>1</u> | <u>1</u> |
| £80,000 to £89,999 | <u>-</u> | <u>1</u> |
| £60,000 to £69,999 | <u>-</u> | <u>1</u> |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

The number of higher paid employees accruing pension benefit was:

| | 2025 | 2024 |
|--|---------------|----------|
| | Number | Number |
| Defined contribution scheme – salary sacrifice arrangement | <u>-</u> | <u>2</u> |

Pension contributions paid in the year in respect of the above staff was £0 (2024: £7,250).

Key management personnel

The key management personnel of the group comprise those of the charity and the key management personnel of its wholly owned subsidiary Teesside Hospice (Trading) Limited. The total employee benefits of the key management personnel of the group were £429,878 (2024: £395,098).

Trustees' remuneration

The Trustees received no remuneration during the year (2024: £nil) and no Trustee individually received payment for professional or other services supplied to the charity (2024: £nil).

The aggregate amount of expenses reimbursed to the Trustees for the year was £nil (2024: £nil). The number of persons reimbursed was 0 (2024: 0).

15 STAFF NUMBERS

The average monthly numbers of employees during the year, was as follows:

| | 2025 | 2025 | 2024 | 2024 |
|-------------------|--------------------|---------------|--------------------|---------------|
| | Number | Number | Number | Number |
| | (Headcount) | (FTE) | (Headcount) | (FTE) |
| Hospice services | | | | |
| IPU | 29 | 24 | 29 | 24 |
| Medical | 7 | 4 | 6 | 3 |
| Wellbeing | 6 | 4 | 6 | 4 |
| Administration | 19 | 13 | 18 | 13 |
| Kitchen | 5 | 3 | 5 | 3 |
| Cleaning | 6 | 4 | 6 | 4 |
| Bereavement | 4 | 2 | 4 | 2 |
| AHP | 4 | 2 | 4 | 2 |
| Establishment | 4 | 3 | 3 | 3 |
| Lymphoedema | 12 | 7 | 10 | 6 |
| | <u>96</u> | <u>66</u> | <u>91</u> | <u>64</u> |
| Income generation | <u>53</u> | <u>41</u> | <u>52</u> | <u>41</u> |
| | <u>149</u> | <u>107</u> | <u>143</u> | <u>105</u> |

On average 17 bank staff are used per month.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

The Hospice is recharged by South Tees Hospitals NHS Foundation Trust for the salaries of employees as follows:

| | 2025 Number | 2024 Number |
|-----|----------------|----------------|
| AHP | <u>3</u> | <u>2</u> |

16 TAXATION

The company is a registered charity and is exempt from tax on income and gains falling within sections 466 to 493 of the Corporation Tax Act 2010 or section 256 of the Taxable Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

The trading subsidiary is liable to corporation tax on their taxable profits. Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

17 FINANCIAL PERFORMANCE OF THE CHARITY

A separate Statement of Financial Activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006. The net incoming resources/ before gains and loss for the year for the charity was (£226,053) deficit, (2024: £632,651 profit).

18 TANGIBLE FIXED ASSETS – GROUP

| | Freehold buildings £ | Leasehold improvements £ | Freehold land £ | Fixtures, fittings and equipment £ | Total £ |
|------------------------|----------------------------|--------------------------------|--------------------|--|-------------------------|
| Cost | | | | | |
| At 1 April 2024 | 2,358,751 | | 556,439 | 260,326 | 3,175,516 |
| Additions | - | 36,418 | - | 132,099 | 168,517 |
| Disposals | - | | - | (26,086) | (26,086) |
| At 31 March 2025 | <u>2,358,751</u> | <u>36,418</u> | <u>556,439</u> | <u>366,339</u> | <u>3,317,947</u> |
| Depreciation | | | | | |
| At 1 April 2024 | 1,536,773 | | - | 185,730 | 1,722,503 |
| Charge for the year | 58,098 | - | - | 25,519 | 83,617 |
| Disposals | - | - | - | (26,086) | (26,086) |
| At 31 March 2025 | <u>1,594,871</u> | <u>-</u> | <u>-</u> | <u>185,163</u> | <u>1,780,034</u> |
| Net book values | | | | | |
| At 31 March 2025 | <u>763,880</u> | <u>36,418</u> | <u>556,439</u> | <u>181,176</u> | <u>1,537,913</u> |
| At 31 March 2024 | <u>821,978</u> | <u>-</u> | <u>556,439</u> | <u>74,596</u> | <u>1,453,013</u> |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

19 TANGIBLE FIXED ASSETS – CHARITY

| | Freehold buildings £ | Freehold land £ | Fixtures, fittings and equipment £ | Total £ |
|------------------------|----------------------------|-----------------------|--|-------------------------|
| Cost | | | | |
| At 1 April 2024 | 2,358,751 | 556,439 | 207,621 | 3,122,811 |
| Additions | - | - | 125,608 | 125,608 |
| Disposals | - | - | (26,086) | (26,086) |
| At 31 March 2025 | <u>2,358,751</u> | <u>556,439</u> | <u>307,143</u> | <u>3,222,333</u> |
| Depreciation | | | | |
| At 1 April 2024 | 1,536,773 | - | 140,251 | 1,677,024 |
| Charge for the year | 58,098 | - | 20,858 | 78,956 |
| Disposals | - | - | (26,086) | (26,086) |
| At 31 March 2025 | <u>1,594,871</u> | <u>-</u> | <u>135,023</u> | <u>1,729,894</u> |
| Net book values | | | | |
| At 31 March 2025 | <u>763,880</u> | <u>556,439</u> | <u>172,120</u> | <u>1,492,439</u> |
| At 31 March 2024 | <u>821,978</u> | <u>556,439</u> | <u>67,370</u> | <u>1,445,787</u> |

20 FIXED ASSET INVESTMENT – GROUP AND CHARITY

| | Listed investments £ | Investment property £ | Cash held as part of the investment portfolio £ | Total £ |
|---|----------------------------|-----------------------------|---|-------------------------|
| Valuation | | | | |
| At 1 April 2024 | 4,117,401 | 120,000 | 82,981 | 4,320,382 |
| Additions | 716,573 | 169,950 | 741,665 | 1,628,188 |
| Disposals | (741,665) | - | (746,083) | (1,487,748) |
| Unrealised gain on revaluation of investments | 68,885 | - | - | 68,885 |
| At 31 March 2025 | <u>4,161,194</u> | <u>289,950</u> | <u>78,563</u> | <u>4,529,707</u> |
| Historical cost as at 31 March 2025 | <u>3,535,734</u> | <u>92,500</u> | <u>78,563</u> | <u>3,706,797</u> |

In addition to the above, the charitable company holds a £2 investment in the share capital of Teesside Hospice (Trading) Limited.

All fixed asset investments are held within the United Kingdom.

The investment property was professionally revalued as at 31 March 2025 by Browns Estate Agency Limited, Chartered Surveyors, on an open market basis. The investment property was also valued at 31 March 2024. There has been no change in valuation in the year. Browns Estate Agency Limited are not connected with the group. The property has three restrictions attached which are in existence during the donor's lifetime: 1. it will not be occupied by more than two adults; 2. There will be no pets and 3. It will not be sold without the donor's consent.

During the year a further investment property was gifted to the charity as part of a legacy. The market value on acquisition in February 2025 was £169,950.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

21 STOCKS

| | Group 2025 £ | Group 2024 £ | Charity 2025 £ | Charity 2024 £ |
|--------|-----------------------------|--------------------|-------------------------------|----------------------|
| Stocks | <u>53,233</u> | <u>63,188</u> | <u>1,269</u> | <u>2,584</u> |

22 DEBTORS

| | Group 2025 £ | Group 2024 £ | Charity 2025 £ | Charity 2024 £ |
|---|-----------------------------|--------------------|-------------------------------|----------------------|
| Trade debtors | 33,157 | 197,920 | 33,157 | 197,920 |
| Amounts due from subsidiary undertaking | - | - | 102,674 | - |
| Other debtors | 29,717 | 19,234 | 22,216 | 10,655 |
| VAT receivable | 74,122 | 27,180 | 90,109 | 40,965 |
| Prepayments and accrued income | <u>377,588</u> | <u>329,431</u> | <u>323,754</u> | <u>298,377</u> |
| | <u>514,583</u> | <u>573,765</u> | <u>571,910</u> | <u>547,917</u> |

23 SHORT TERM INVESTMENTS

| | Group 2025 £ | Group 2024 £ | Charity 2025 £ | Charity 2024 £ |
|-----------------------------|-----------------------------|--------------------|-------------------------------|----------------------|
| Cash equivalents on deposit | <u>1,922,665</u> | <u>3,100,537</u> | <u>1,922,665</u> | <u>3,100,537</u> |

24 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group 2025 £ | Group 2024 £ | Charity 2025 £ | Charity 2024 £ |
|---------------------------------------|-----------------------------|--------------------|-------------------------------|----------------------|
| Trade creditors | 172,225 | 181,151 | 110,009 | 147,955 |
| Amounts due to subsidiary undertaking | - | - | - | 9,408 |
| Other tax and social security | 66,327 | 58,701 | 66,327 | 58,701 |
| Other creditors | 40,613 | 38,356 | 31,646 | 29,721 |
| Accruals and deferred income | <u>172,072</u> | <u>155,771</u> | <u>70,026</u> | <u>48,778</u> |
| | <u>451,237</u> | <u>435,979</u> | <u>278,008</u> | <u>294,563</u> |

| | Group 2025 £ | Group 2024 £ | Charity 2025 £ | Charity 2024 £ |
|-------------------------------------|-----------------------------|--------------------|-------------------------------|----------------------|
| Deferred income | | | | |
| Deferred income brought forward | 83,320 | 92,996 | 9,025 | 13,830 |
| Resources deferred in the year | 73,120 | 83,320 | 500 | 9,025 |
| Amounts released from previous year | <u>(83,320)</u> | <u>(92,996)</u> | <u>(9,025)</u> | <u>(13,830)</u> |
| Deferred income carried forward | <u>73,120</u> | <u>83,320</u> | <u>500</u> | <u>9,025</u> |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

Deferred income in the group includes £72,620 in respect of lottery membership payments paid in advance for future draws/donations.

25 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | Group 2025 | Group 2024 | Charity 2025 | Charity 2024 |
|-------------------|-----------------------|---------------|-------------------------|-----------------|
| | £ | £ | £ | £ |
| Lease liabilities | <u>3,237</u> | <u>3,362</u> | <u>-</u> | <u>-</u> |

26 FINANCIAL INSTRUMENTS

| | Group 2025 | Group 2024 | Charity 2025 | Charity 2024 |
|---|-----------------------|-----------------------|-------------------------|-----------------------|
| | £ | £ | £ | £ |
| FINANCIAL ASSETS | | | | |
| Debt instruments measured at amortised cost: | | | | |
| Trade debtors | 33,157 | 197,920 | 33,157 | 197,920 |
| Other debtors | 22,216 | 10,655 | 22,216 | 10,655 |
| Accrued income | <u>234,404</u> | <u>219,347</u> | <u>234,404</u> | <u>219,347</u> |
| TOTAL | <u><u>289,777</u></u> | <u><u>427,922</u></u> | <u><u>289,777</u></u> | <u><u>427,922</u></u> |
| FINANCIAL LIABILITIES | | | | |
| Measured at amortised cost: | | | | |
| Trade creditors | 172,225 | 181,151 | 110,009 | 147,955 |
| Other creditors | 40,613 | 38,356 | 31,646 | 29,721 |
| Accruals | 98,952 | 74,451 | 69,526 | 39,753 |
| Rent liabilities due after more than one year | <u>3,238</u> | <u>3,362</u> | <u>-</u> | <u>-</u> |
| TOTAL | <u><u>315,028</u></u> | <u><u>297,320</u></u> | <u><u>211,181</u></u> | <u><u>217,429</u></u> |

27 ANALYSIS OF NET ASSETS BETWEEN FUNDS – GROUP

| | Unrestricted funds | Restricted funds | Total funds 2025 | Total funds 2024 |
|--|-------------------------------|-----------------------------|-----------------------------|--------------------------|
| | £ | £ | £ | £ |
| Fund balances at 31 March 2025 represented by: | | | | |
| Tangible fixed assets | 1,003,284 | 534,629 | 1,537,913 | 1,453,013 |
| Investment assets | 4,529,707 | - | 4,529,707 | 4,320,382 |
| Current assets | 4,297,131 | 27,915 | 4,325,046 | 4,723,148 |
| Current liabilities and provisions | <u>(454,474)</u> | <u>-</u> | <u>(454,474)</u> | <u>(439,341)</u> |
| | <u><u>9,375,648</u></u> | <u><u>562,544</u></u> | <u><u>9,938,192</u></u> | <u><u>10,057,202</u></u> |
| 2024 total | <u><u>9,510,724</u></u> | <u><u>546,478</u></u> | <u><u>10,057,202</u></u> | |

TEESSIDE HOSPICE CARE FOUNDATION

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For the year ended 31 March 2025

ANALYSIS OF NET ASSETS BETWEEN FUNDS – CHARITY

| | Unrestricted funds £ | Restricted funds £ | Total funds 2025 £ | Total funds 2024 £ |
|--|----------------------------|--------------------------|--------------------------|--------------------------|
| Fund balances at 31 March 2025 represented by: | | | | |
| Tangible fixed assets | 957,809 | 534,629 | 1,492,438 | 1,445,787 |
| Investment assets | 4,529,709 | - | 4,529,709 | 4,320,384 |
| Current assets | 4,081,799 | 27,915 | 4,109,714 | 4,539,413 |
| Current liabilities and provisions | (278,008) | | (278,008) | (294,563) |
| | <u>9,291,309</u> | <u>562,544</u> | <u>9,853,853</u> | <u>10,011,021</u> |
| 2024 total | <u>9,464,543</u> | <u>546,478</u> | <u>10,011,021</u> | |

28 RETIREMENT BENEFITS

The trading company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The contributions payable by the company charged to income and expenditure amounted to £22,993 (2024: £20,645)

The group also operates the same defined contribution pension scheme for employees of the charity and in addition, participates in a multi-employer pension plan, being the NHS Pension Scheme. The assets of the scheme are held separately from those of the charity in independently administered funds. Furthermore, the group participates in the Pensions Trust Growth Plan, Series 4, a defined contribution pension scheme.

Total pension contributions payable by the group charged to income and expenditure amounted to £196,064 (2024: £224,582). Pension costs have been allocated based on the member of staff to whom the cost relates and the department they work in. Total contributions for all three pension schemes totalling £31,645 (2024: £29,721) were payable to the fund at the year end and are included in creditors.

NHS Pension Scheme

The NHS Pension Scheme is an unfunded, multi-employer defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable participating bodies to identify their share of the underlying Scheme assets and liabilities. Therefore, the Scheme is accounted for as if it were a defined contribution scheme: the cost to the charity of participating in the Scheme is taken as equal to the contributions payable to the Scheme for the accounting period.

At the balance sheet date there were 25 active members of the Scheme employed by the charity.

The Scheme is subject to a full actuarial valuation every four years, and an FRS102 accounting valuation every year. The most recent 2020 valuation identified the need to increase employer contributions. From 1 April 2024 the employer contribution rate was increased to 23.78% from 20.68% (including an administration levy of 0.08%). Employers will continue to pay at the rate of 14.38% with the balance of 9.4% being funded by government. The 2024 valuation will commence in 2025 and will determine the contribution rate for the four years from 1 April 2027.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

29 UNRESTRICTED FUNDS – GROUP

| 2024/25 | At 1 April 2024 £ | Incoming resources £ | Outgoing resources £ | Gains, losses & transfers £ | At 31 March 2025 £ |
|-------------------------------|----------------------------------|-------------------------------------|-------------------------------------|--|---------------------------------------|
| General reserves | | | | | |
| Charity | 8,876,936 | 3,689,076 | (4,218,397) | 423,896 | 8,771,511 |
| Non- charitable trading funds | 46,181 | 2,088,908 | (1,699,806) | (350,945) | 84,338 |
| Total General reserves | 8,923,117 | 5,777,984 | (5,918,203) | 72,951 | 8,855,849 |
| Designated property fund | 500,000 | - | - | - | 500,000 |
| Designated deficits fund | - | - | - | - | - |
| Designated digital fund | 87,607 | - | (67,808) | - | 19,799 |
| | <u>9,510,724</u> | <u>5,777,984</u> | <u>(5,986,011)</u> | <u>72,951</u> | <u>9,375,648</u> |
| 2023/24 | At 1 April 2023 £ | Incoming resources £ | Outgoing resources £ | Gains, losses & transfers £ | At 31 March 2024 £ |
| General reserves | | | | | |
| Charity | 7,528,917 | 3,873,102 | (3,663,864) | 1,138,781 | 8,876,936 |
| Non- charitable trading funds | 57,225 | 2,107,829 | (1,635,199) | (483,674) | 46,181 |
| Total General reserves | 7,586,142 | 5,980,931 | (5,299,063) | 655,107 | 8,923,117 |
| Designated property fund | 500,000 | - | - | - | 500,000 |
| Designated deficits fund | 400,000 | - | - | (400,000) | - |
| Designated digital fund | 150,000 | - | (62,393) | - | 87,607 |
| | <u>8,636,142</u> | <u>5,980,931</u> | <u>(5,361,456)</u> | <u>255,107</u> | <u>9,510,724</u> |

TEESSIDE HOSPICE CARE FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2025

UNRESTRICTED FUNDS – CHARITY ONLY

| 2024/25 | At 1 April 2024 £ | Incoming resources £ | Outgoing resources £ | Gains, losses & transfers £ | At 31 March 2025 £ |
|--------------------------|----------------------------------|-------------------------------------|-------------------------------------|--|---------------------------------------|
| General reserves | 8,876,936 | 4,059,219 | (4,237,597) | 72,951 | 8,771,509 |
| Designated property fund | 500,000 | - | - | - | 500,000 |
| Designated deficits fund | | - | - | - | - |
| Designated digital fund | 87,607 | - | (67,808) | - | 19,799 |
| | <u>9,464,543</u> | <u>4,059,219</u> | <u>(4,305,405)</u> | <u>72,951</u> | <u>9,291,308</u> |

| 2023/24 | At 1 April 2023 £ | Incoming resources £ | Outgoing resources £ | Gains, losses & transfers £ | At 31 March 2024 £ |
|--------------------------|----------------------------------|-------------------------------------|-------------------------------------|--|---------------------------------------|
| General reserves | 7,528,917 | 4,367,620 | (3,683,064) | 663,463 | 8,876,936 |
| Designated property fund | 500,000 | - | - | - | 500,000 |
| Designated deficits fund | 400,000 | - | - | (400,000) | - |
| Designated digital fund | 150,000 | - | (54,037) | (8,356) | 87,607 |
| | <u>8,578,917</u> | <u>4,367,620</u> | <u>(3,737,101)</u> | <u>255,107</u> | <u>9,464,543</u> |
| | <u><u>8,578,917</u></u> | <u><u>4,367,620</u></u> | <u><u>(3,737,101)</u></u> | <u><u>255,107</u></u> | <u><u>9,464,543</u></u> |

| | |
|------------------|---|
| General reserves | The general reserves represent the free funds of the charity which are not designated for any particular purpose. |
| Designated funds | <p>In March 2021 Trustees agreed to designate £500,000 for the purchase of commercial property, further details of which are given in the reserves policy. Suitable premises have not yet been identified.</p> <p>The digital development of the organisation continues to be a priority. A technology budget plan has been produced by the Senior Management Team with the assistance of the IT service provider. In order to invest in improving our knowledge, capability and confidence a designated fund of £150,000 was established at 31 March 2023, a significant amount of this expenditure has now been utilised with the balance carried forward as at 31st March 2025 of £19,799</p> |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

30 RESTRICTED FUNDS – GROUP AND CHARITY

| 2024/25 | At 1 April 2024 | Incoming resources | Outgoing resources | Gains, losses & transfers | At 31 March 2025 |
|--|--------------------------------|-------------------------------|-------------------------------|--|---------------------------------|
| | £ | £ | £ | £ | £ |
| Building Fund | 456,813 | - | (31,409) | - | 425,404 |
| North East and North Cumbria ICB | - | 67,915 | (67,915) | - | - |
| Individual Supporters | 2,137 | 3,867 | (4,585) | - | 1,419 |
| Grants & Trusts | 57,366 | 39,670 | (52,448) | (510) | 44,078 |
| Patient Comfort Appeal | 5,833 | - | (5,833) | - | - |
| Screwfix Foundation | 6,494 | - | (1,849) | - | 4,645 |
| St James's Place Charitable Foundation | - | 1,916 | (1,916) | - | - |
| The John Horseman Trust | - | 10,000 | (6,444) | (3,556) | - |
| Sir John Priestman Trust | - | 5,000 | (5,000) | - | - |
| The Francis Winham Foundation | - | 5,000 | (5,000) | - | - |
| Casper Shipping | - | 5,000 | (5,000) | - | - |
| The Liz and Terry Bramble Foundation | - | 12,000 | - | - | 12,000 |
| Hospice UK | - | 75,404 | (406) | - | 74,998 |
| The National Lottery Community Fund | 17,835 | - | (17,835) | - | - |
| | <u>546,478</u> | <u>225,772</u> | <u>(205,640)</u> | <u>(4,066)</u> | <u>562,544</u> |

RESTRICTED FUNDS – GROUP AND CHARITY

| 2023/24 | At 1 April 2023 | Incoming resources | Outgoing resources | Gains, losses & transfers | At 31 March 2024 |
|--|--------------------------------|-------------------------------|-------------------------------|--|---------------------------------|
| | £ | £ | £ | £ | £ |
| Building Fund | 488,221 | - | (31,408) | - | 456,813 |
| North East and North Cumbria ICB | - | 65,366 | (65,366) | - | - |
| Individual Supporters | 2,213 | 4,798 | (4,874) | - | 2,137 |
| Grants & Trusts | 8,689 | 65,657 | (16,980) | - | 57,366 |
| Edward Guy Foundation | 4,739 | - | (4,739) | - | - |
| Patient Comfort Appeal | 17,495 | - | (11,662) | - | 5,833 |
| Screwfix Foundation | 6,802 | - | (308) | - | 6,494 |
| St James's Place Charitable Foundation | - | 25,983 | (25,983) | - | - |
| Woodsmith Foundation | 16,187 | 7,089 | (23,276) | - | - |
| Tees Valley Business ERDF | - | 10,230 | (10,230) | - | - |
| The National Lottery Community Fund | - | 19,321 | (1,486) | - | 17,835 |
| | <u>544,346</u> | <u>198,444</u> | <u>(196,312)</u> | <u>-</u> | <u>546,478</u> |

TEESSIDE HOSPICE CARE FOUNDATION

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| Name of restricted fund | Description, nature and purposes of the fund |
|--------------------------------------|--|
| Building fund | The building fund represents the net book value of the inpatient unit and annexed buildings. The fund is reduced by the depreciation charge on these fixed assets. |
| Northeast and North Cumbria ICB | From April 2018 the local ICB has funded a proportion of the Lymphoedema Clinic salaries. |
| Individual Supporters | During the year, individual supporters made donations specifically for the benefit of core clinical services. These monies were spent on wellbeing crafts and equipment, lymphoedema equipment, complementary therapies, bereavement resources and IPU purchases. |
| Grants & Trusts | Various grant providers supported the Hospice again this year. These grants supported the maintenance and purchase of new equipment, uniforms, bereavement counselling service provision, wellbeing services and website design. Twenty grants (of less than £10K) have a combined spend of £50,573 in the year. Of the balance of £13,987, two grants of at £4,500 are to be reduced by the depreciation charge on these assets and the remaining £9,487 is to be expended in 2025/26 |
| The Liz and Terry Bramall Foundation | The Liz and Terry Bramall Foundation kindly contributed £12,000 to fund counselling hours from April 2025-March 2026 |
| The Hospice UK Grant | The Hospice received it's first tranche of the Hospice UK Grant of £74,404. This in line with guidance was utilised on capital expenditure within the year and will be reduced over the lifetime of the assets. |
| Screwfix Foundation | £6,802 was donated to install a car park barrier. Planning processes were passed in the year, with installation taking place in 2023/24. The fund is reduced by the depreciation charge on this fixed asset. |

31 COMMITMENTS UNDER OPERATING LEASE COMMITMENTS

Group and charity

The group as a lessee:

The total future minimum lease payments under non-cancellable leases is set out below:

| | 2025 | 2024 |
|--------------------------------|---------------------------|--------------------|
| | Land and buildings | Land and buildings |
| | £ | £ |
| Operating leases which expire: | | |
| Within 1 year | 232,745 | 247,977 |
| Between 1 and 5 years | 390,749 | 525,309 |
| Greater than 5 years | 115,356 | 62,000 |
| | <u>738,850</u> | <u>835,286</u> |

The operating leases represent leases of premises. The leases are of varying terms.

TEESSIDE HOSPICE CARE FOUNDATION

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Lease costs of £241,230 have been recognised as an expense in the year for the group and £260,430 for the trading subsidiary. The subsidiary leases part of 408/410 Linthorpe Road from the charity which is removed from the group accounts.

The charity as a lessor:

The total future minimum lease payments under non-cancellable leases is set out below:

| | 2025 | 2024 |
|--------------------------------|---------------------------|--------------------|
| | Land and buildings | Land and buildings |
| | £ | £ |
| Operating leases which expire: | | |
| Within 1 year | 24,700 | 19,200 |
| Between 1 and 5 years | 24,000 | 19,200 |
| | <u>48,700</u> | <u>38,400</u> |

The operating lease represents the lease of premises from Teesside Hospice Care Foundation to its wholly owned subsidiary Teesside Hospice (Trading) Limited. The operating lease also includes the lease costs for Teesside Hospice (Trading) Limited- to lease the coffee shop from Teesside Hospice Care Foundation. This is a 7 year lease from the 1st May 2025 and is for an annual rent of £6000.

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

| | 2025 | 2024 |
|---|------------------|----------------|
| | £ | £ |
| Net incoming movement in funds | (119,012) | 876,714 |
| (Gain)/Loss on revaluation of investments | (68,885) | (255,107) |
| Income from investments | (94,263) | (98,246) |
| Interest receivable | (148,964) | (121,969) |
| Depreciation | 83,617 | 82,711 |
| Profit on disposal of assets | - | (564) |
| Increase in stocks | 9,955 | (6,804) |
| Decrease/(Increase) in debtors | 59,181 | (246,478) |
| (Decrease)/Increase in creditors | 15,133 | 121,999 |
| | <u>(263,238)</u> | <u>352,256</u> |

33 LEGAL STATUS OF THE CHARITY

Teesside Hospice Care Foundation is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

34 RELATED PARTY TRANSACTIONS

The Clinkard Group Limited

TEESSIDE HOSPICE CARE FOUNDATION

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The group benefits from the kind support of The Clinkard Group Limited. Teesside Hospice Care Foundation and Teesside Hospice (Trading) Limited and The Clinkard Group Limited share a common co-opted director of the Trading Board T Payne. In the year ended 31 March 2025 £2,500 (2024: £1,500) was donated to assist fundraising activity.

HR Alchemy

J Davies business HR Alchemy kindly donated £4,280 to corporate fundraising in the year ended 31 March 2025 (2024: £2,385).

Middlesbrough College

D Modesto Lusardi is a governor at Middlesbrough College. The Hospice paid Middlesbrough College £70 in the year for an emergency first aid course.

Teesside Hospice (Trading) Limited

During the year, the charity engaged in the following transactions with the wholly owned trading subsidiary. At 31 March 2025 the unsecured amount owed by Teesside Hospice Care Foundation was £102,672

| | Lottery Future Credits | Intercompany Account | Total |
|--------------------------------|------------------------|----------------------|----------------|
| As at 1 April 2024 | (61,000) | 51,592 | (9,408) |
| 410 Linthorpe Road office | - | 63,838 | 63,838 |
| Payroll | - | 837,151 | 837,151 |
| Gift Aid covenant | - | 350,945 | 350,945 |
| Gift Aided retail sales | - | 365,339 | 365,339 |
| Donor management charges | - | (421,669) | (421,669) |
| Amounts paid to incorrect bank | - | (27,523) | (27,523) |
| Paid | - | (1,056,001) | (1,056,001) |
| Transfer | 1,932 | (1,932) | - |
| As at 31 March 2025 | <u>(59,068)</u> | <u>161,740</u> | <u>102,672</u> |

Teesside Hospice (Trading) Limited operates the weekly lottery in which members pay in advance for future draws. The balance of £58,068 would be repayable at 31 March 2025 should the lottery cease. The funds have been remitted to Teesside Hospice Care Foundation in previous years. The above balance therefore represents the charity's liability to lottery members at the year end.

TEESSIDE HOSPICE CARE FOUNDATION

England & Wales - Charity number 512875

Accounts

Teesside Hospice Care Foundation
(A Company limited by guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 MARCH 2024

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2024

Statement from the Chief Executive

As we look back on the last year it's been remarkable to see the difference the team at Teesside Hospice have continued to make to individuals and families affected by life limiting illness. Following the pandemic our core clinical services have retained their focus on delivering specialist-level palliative and end of life care and back to business 'as normal'. Our ambitions to help more people reduce the pain and distress they experience has led to new and innovative ways to reaching out into our community and opening up access to hospice care for those who might not previously have known about us.

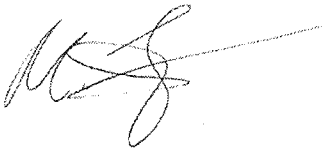
We continue to engage in clinical and service developments, engaging in medical research, implementing new digital healthcare, and further developing the skills mix within our teams. Using our unique specialist skills and knowledge within the team to deliver training outside the hospice, raise public awareness about death and dying in a timely and supportive way.

Of course, the year hasn't been without its challenges. We are noticing a change to the demographic of people who need our clinical services. More younger people, with increasingly complex conditions, are being admitted to our In-Patient Unit. These patients require more support, which is increasing pressure on our staff, but our wonderful team is coping admirably.

Recent legislative amendments to the Health and Care Act have made the commissioning of specialist palliative care a mandatory requirement which alongside explicit statutory guidance on how this should be funded has offered some hope that hospice care might be moving towards a more sustainable financial footing. Given the precarious nature of most hospices in the country and all of the hospices in Tees Valley, using these new opportunities to secure an improved funding arrangement that supports the delivery of specialist-level care to local people remains a high priority for the hospice.

Teesside Hospice wouldn't be able to function without the support of its wider partners across the system. This year has seen further integration and even closer collaboration with our health partners at South Tees NHS and social care in Middlesbrough, Redcar and Cleveland. Additionally, closer co-operation within the hospice network itself continues to deliver opportunities to learn, share and collaborate in order to bring greater benefits for those we are here to serve.

This report showcases our achievements over the last year and ambitions for the next. Hospice care is very much a team activity, and my thanks go to everybody who has contributed to our work this year. Partners, supporters, donors, funders, staff, volunteers - on the front line, back office, in retail and income generation and others still opening doors and championing the cause.



Mike Thornicroft
Chief Executive

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2024

Directors and Trustees

The directors of the charitable company (the charity) are its Trustees for the purpose of charity law. The Trustees and officers serving during the year and since the year end were as follows:

| | | |
|----------------------------|-------------------------------|------------------------|
| Trustees: | E. Criddle - Chairperson | (resigned 29/02/2024) |
| | J. Davies | |
| | M. C. Ellington | (resigned 29/02/2024) |
| | M.P.R. Firman | |
| | C. Langrick | |
| | D. Lusardi | (appointed 29/02/2024) |
| | T.J.O. Payne | |
| | S. Quinn | (appointed 29/02/2024) |
| | J. Sheridan | |
| G. Whitehead - Chairperson | (Chairperson from 29/02/2024) | |

| | | |
|-----------------------------|--|------------------------|
| Key management personnel: | All Trustees as listed above and the Senior Management Team: | |
| | Chief Executive – D. Smith | (resigned 31/03/2024) |
| | Chief Executive – M. Thornicroft | (appointed 04/03/2024) |
| | Finance Director/Deputy CEO – A. Wardle | |
| | Director of Nursing & Quality – D. Edwards | |
| | Director of Income Generation – D. Coulson | (resigned 08/03/2024) |
| | HR Manager – L. McMann | |
| Head of Retail – C. McMahon | | |

Company registration number: 01642201

Registered charity number: 512875

Registered office:
1 Northgate Road
Linthorpe
Middlesbrough
TS5 5NW

Bankers:
Royal Bank of Scotland
31 Grey Street
Newcastle Upon Tyne
NE1 6ES

Solicitors:
Jacksons Law
17 Falcon Court
Preston Farm Industrial Estate
Stockton on Tees
TS18 3TU

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2024

Auditor: Waltons Business Advisers Limited
Maritime House
Harbour Walk
Hartlepool
TS24 0UX

Investment advisors: Rathbone Investment Management
Earl Grey House
75-85 Grey Street
Newcastle
NE1 6EF

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2024

The Trustees are pleased to present their annual report together with the financial statements of the charity and group for the year ended 31 March 2024. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the organisation's Memorandum and Articles of Association and 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 (FRS 102) (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.

Objectives and activities

The principal objective of Teesside Hospice Care Foundation during the year was that of providing hospice services for the public benefit. The hospice exists to enhance the quality of life for those suffering from life-limiting illness, and offers specialist palliative care and support to patients and carers, in the belief that each person is entitled to dignity and choice within the best provision of care.

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charities Commission. The Trustees have considered this guidance in shaping the charitable company's objectives for the year and planning current and future activities. Further details of the activities which provide public benefit are given below.

The hospice benefits the public by providing all of its services free of charge. The main catchment areas are Middlesbrough and Redcar & Cleveland. If it is appropriate, the Hospice accepts referrals from anywhere in the UK without prejudice. The clinical services at Teesside Hospice are provided for individuals with a life-limiting illness and this care is available regardless of their diagnosis. Although the majority of patients have advanced cancer, non-cancer diagnoses are also treated. Bereavement counselling services (adult and children) are accessible to any individual suffering from bereavement.

Teesside Hospice helps many members of the public each year and relies on other sources of income such as grants, donations and trading activities to cover its operating costs.

Strategic aim and objectives

The charity's strategic aim is to provide holistic palliative care at any point during a life-limiting illness. The majority of the charity's work focuses upon pain and symptom control and end of life care. All the charitable activities are undertaken to further our charitable purposes for the public benefit and fully reflect the purposes that the charitable company was set up to further.

Teesside Hospice is greatly supported by the local community and relies on voluntary help. The Hospice has an established team of volunteers who offer their time to all areas of the hospice. The volunteers are a valued resource to the organisation, enabling lower staff costs than would otherwise be the case. The active volunteer workforce has increased during the year and the count which we aim to increase further is approximately 370.

Our corporate objectives were renewed at the beginning of 2023 and the Board of Trustees and Senior Management Team hold the details which fall under the following eight headline objectives:

- Partnerships and Integration
- Collaboration
- Transition to Digital
- Influence and Campaigning
- Increase Cost Effectiveness
- Increase Self-Generated Revenue
- Workforce Development
- Securing a Fair Funding Deal with the NHS

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2024

Activities for achieving objectives

The charity's range of specialist palliative care services include:

- Ten bedded Inpatient Unit providing specialist care for patients with complex symptoms and end of life care
- Wellbeing Services empowering those in our care to achieve their goals and improve their quality of life
- Bereavement Counselling Services offering counselling for complex grief and trauma to adults and young people from the age of 7 years and up
- Community In-Reach in partnership with the Adult Social Care Discharge Fund to work alongside colleagues from the acute trust to increase assessment and planning capacity within the network
- Tees wide specialist Lymphoedema clinics

Structure, governance and management

Governing document

Teesside Hospice Care Foundation is a charitable company limited by guarantee (incorporated 9 June 1982 No. 01642201) and as such is governed by its Memorandum and Articles of Association, last amended by special resolution dated 27 August 2020. It is registered as a charity with the Charity Commission (No. 512875). Members of the charitable company are the Trustees who have guaranteed liabilities of the company up to a maximum of £1 each.

Governing body

The charitable company has a Board of Trustees in accordance with its Articles of Association, who are required to serve as members of the charitable company. The Board is made up of the Trustees who are elected by the members at a Board meeting. Each Trustee is required to meet specifications concerning eligibility, personal competence, specialist skills and local availability.

Teesside Hospice (Trading) Limited is 100% owned by the Charity. The Trustees have no interest in the shares of the subsidiary company, other than as directors of the parent company.

Trustee recruitment, induction and training

Trustees are recruited through word of mouth or through advertising in the local press and on our own website.

Whilst new Trustees are often familiar with the work of the hospice, they are inducted into the working environment of the hospice. New Trustees receive a detailed induction, an explanation and discussion session is also held with both the Chair and Chief Executive, where new Trustees are briefed on their legal obligations under both Company law and Charity Law. Trustees are also encouraged to spend time with Senior Managers from across the organisation and this has been found to be highly beneficial.

Due to the planned change in Trustees and Chief Executive at the end of 2023/24, there were no Trustee workshops held during the year. In 2024/25 these will be resurrected and will include charity governance as a topic.

All Trustees give their time voluntarily and receive no benefits from the charitable company. Any expenses reclaimed from the charitable company are set out in note 14 to the financial statements.

No members of the Board of Trustees have served a term longer than the recommended period of nine years and Board composition has been heavily reviewed in prior years, and continues to be, to ensure an appropriate skill mix is present.

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2024

Organisational structure

The Board currently consists of 8 Trustees who meet at least four times per year to determine both the general and strategic direction and policy of the charity, and to review its overall management and control for which they are legally responsible. Other sub-committees (finance & facilities, fundraising, workforce development, quality & performance) meet as appropriate to discuss relevant issues. All sub-committees report back to the Trustees and have Trustee representation. In addition, the Senior Management Team meet fortnightly. Each sub-committee has a mandate from the Board to receive, consider and agree policies on behalf of the Board with the exception of those policies deemed by the committee to be contentious or of particular significance to the organisational culture. In these cases, the chair of the committee will then have the responsibility of presenting the policy for discussion at the next Board Meeting or convening a special meeting of Board members if deemed necessary.

A Chief Executive is appointed by the Trustees to manage the day-to-day operations of the charity and responsibility for the provision of the services rests with the Chief Executive. A scheme of delegation is in place, ensuring that the charity delivers the services specified and the Chief Executive is aided in his duties by departmental managers.

Pay policy for key management personnel

The Trustees consider that key management comprise the charity's Trustees and the Senior Management Team who are in charge of directing and controlling, running and operating the charity on a day-to-day basis. All Trustees give of their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in notes 14 and 34 to the accounts.

With effect from 1 April each year the National Minimum Wage (NMW) increases. For the 2023/24 year, pay was increased for all staff including SMT by a varying percentage. With the challenge imposed by the high rise in NMW each year, Teesside Hospice were aware of the need to review the pay structure as a whole, with 2023/24 being the first year of a redesigned pay scale system. SMT salaries have been reviewed by the Remuneration Committee against appropriate benchmarks and Teesside Hospice strives to pay all of its staff at an appropriate level taking into account our financial position and market pressures.

Staff

Teesside Hospice is committed to providing a working environment which is free from discrimination and encourages diversity and promotes a positive culture whilst developing itself as an 'employer of choice'. Our aim is to be truly representative of all sections of society and for each member of staff to feel respected and able to give their best. This policy extends beyond staff and volunteers to all service users, stakeholders and supporters.

The Teesside Hospice staff and volunteer survey encompasses all aspects of the workforce, paid and unpaid, and was completed in May 2023. The majority of responses were completed online. This was sent to all employees and all volunteers where an email address was on record via the HR team and for those who required it, a number of paper surveys were also provided – all responses both online and in paper format were anonymous. We received a total of 112 responses which was a 15.5% increase on the 97 responses received in July 2021. It was extremely encouraging to see that the number of volunteer respondents has increased since the last survey in July 2021 by 92%, however there was a significant reduction in the number of staff respondents which were down by 29.5% compared to July 2021. In addition to the staff and volunteer survey, in November 2023 the then CEO, sent staff a health & wellbeing survey for completion as part of the Hospice's review of our wellbeing offer. This along with other verbal feedback from forums is being used to inform the impending Wellbeing Strategy being developed in conjunction with the new CEO for 24/25.

In 2023 we achieved Better Health at Work Award Bronze Accreditation and we continue to progress toward the Silver Award. The award and participation throughout the year in 'health campaigns' associated to this accreditation allows us to determine which health and wellbeing information and resources our staff and volunteers most want from us that then run throughout the year as we seek to support staff and volunteers in the best and most relevant ways possible.

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2024

Our fundraising practice

Teesside Hospice's Fundraising Committee ensures that appropriate scrutiny and oversight has been applied to fundraising activity, performance and delivery. Development opportunities and future growth is debated, planned and actioned. The Committee meets quarterly whilst the SMT member of staff with day to day operational responsibility for fundraising activity (including lottery activity) is the Director of Income Generation. The postholder left the organisation in March 2024 with their successor commencing June 2024. A fundraising strategy has previously been developed. However, the change in personnel will be opportunity to take a refreshed approach. Teesside Hospice is registered with the Fundraising Regulator and is a member of the Hospice Lotteries Association. There have been no failures to comply with regulation nor have there been any complaints received. Risks associated with fundraising activity are continuously examined by inclusion in the operational risk register. In April 2022 we commenced using an external company to recruit new lottery members and it was ensured that their work was conducted in accordance with the agreed contract, reflecting the values and behaviours expected by Teesside Hospice. All staff and third parties receive training on protecting vulnerable individuals - if it is felt that a person is not capable of making an informed decision about supporting Teesside Hospice, e.g. because of mental health problems, learning disabilities or substance misuse relating to alcohol or drugs, attempts must not be made to sell any fundraising related product. Teesside Hospice operates an over 18s policy in respect of lottery membership and education is provided to staff on ways to spot a problem gambler.

Related parties

The charity's wholly owned subsidiary, Teesside Hospice (Trading) Limited is established to provide a trading arm to the charity. The principal activities of the subsidiary are that of lottery organiser and charity shopkeeper. The subsidiary gift aids all of its taxable profits to the charity.

Strategic Report

Achievements and performance

The charitable company's policies in the pursuit of its objectives are kept under regular review. The Board of Trustees considers the activities of the company during the year to be satisfactory. The funds and resources are used entirely for its main objective. The movements in funds are described in the consolidated statement of financial activities on page 15.

The Quality and Performance Committee

The Quality and Performance Committee is designated by the Board of Trustees to oversee the development and implementation of the professional framework for nursing, medicine, allied health and social care disciplines at Teesside Hospice. Issues relating to national, regional and local policies are debated, ratified and actioned by the committee in line with the agreed terms of reference. Membership of the committee is made up of multi professional staff that all contribute to the success of the committee.

Subgroups are formed as required and report to the Quality and Performance Committee.

Teesside Hospice always strives to deliver excellent, much needed services to the local people and its success depends on the delivery of safe, responsive and effective care and how valued we are by the people that need us. We monitor the care we provide, seek assurances that we provide high standards of care and outline aspirations that support our delivery of the strategic aims. Feedback from our patients, families and friends is very important to us so that we can understand their personal experiences. They are at the centre of everything we do at the hospice. This enables the translation of user comments into real improvements. We use this feedback to continuously strive to improve the quality of our services. Feedback can be obtained via questionnaires, patient and carer groups, surveys, outcome reports, suggestions and comments and complaints and compliments. Throughout the year, there has been continuous evaluation of the services and any concerns have been addressed in a timely way.

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2024

The Care Quality Commission

Teesside Hospice is required to register with the Care Quality Commission (CQC) and its current registration status is for the following activities:

- Treatment of disease, disorder or injury

Teesside Hospice is registered with the following conditions:

- Services are provided for people over 18 years old
- The maximum of 10 patients may be accommodated overnight

The last unannounced routine inspection of Teesside Hospice took place on 16th March 2016. Our feedback was very positive and we received an overall rating of GOOD for our service. No areas were rated as inadequate. On 8th February 2021, relevant members of the SMT had a Transitional Monitoring Approach (TMA) call with the CQC. Positive feedback was given, and this did not result in any follow-up action such as an immediate visit. The CQC now use a mix of onsite and offsite monitoring and in accordance with this approach, they carried out a review of the data about Teesside Hospice in July 2022. They found no evidence to suggest that they needed to carry out an on-site inspection or reassess our rating. Regular contact is maintained with the CQC as appropriate.

Inpatient Unit: There were 150 patients who received inpatient care (167 episodes of care) with a variety of complex needs. The average length of stay for patients is 16 days. 34% of patients were discharged to their homes or a care home. 64% of patients received end of life care and 2% were discharged to the hospital/other services.

Wellbeing Centre: 2023/24 has continued to be a period of development for the services provided by the wellbeing team. There were 604 face-to-face sessions with 1,564 patient contacts which were individual and group sessions involving morning and afternoon programmes. 723 telephone contacts were made to patients.

Lymphoedema Service: The lymphoedema clinic received 657 referrals over the course of 2023/2024. There were 3,647 patient interactions including clinic/home visit appointments, education, advice calls and IPU and Wellbeing patients seen. There were 1,239 patients on the lymphoedema clinic caseload at the end of March 2024.

Bereavement Counselling Service: From April 2023 to March 2024 there were 1,714 bereavement counselling appointments attended (individual adults: 200 attended 1,424 appointments and children & young persons: 71 attended 290 appointments). These appointments were face to face, either as individual or group sessions. The service received 351 referrals – 59% self-referral, 41% from GPs, schools, mental health professionals and others.

Volunteers

Teesside Hospice has an established team of volunteers who offer their time to each department across both the Trading Company and the Charity. The current headcount is in the region of 370 volunteers working side by side with paid staff to support them to fulfil their duties. Volunteer support was sadly affected in various ways during the pandemic and volunteer recruitment is to be a key focus area in 2024/25. Volunteers are a valued resource to the organisation and we recognise their commitment and value. The Board of Trustees and Trading Company Directors, who have uppermost authority for controlling the activities of Teesside Hospice are volunteers.

Financial review

The Financial Statements are prepared in accordance with Financial Reporting Standard 102 (FRS 102) and the Charities SORP (2019).

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2024

Teesside Hospice has had a successful year, and has ultimately generated a surplus (before unrealised investment gains) of £621,607. Without legacy income this result would have been deficit (£275,538). We commenced the year with a deficit budget of £404,361 (excluding unrealised gain/loss on investment). The surplus for the year dramatically exceeds expectations. The principal variances arose from: supplementary ICB funding in respect of additional support services provided; an increase in investment returns; income generation (as a whole) outperforming expectations; and legacy income.

Donations and legacies have increased by £657,217 (42%). Legacy income is the largest contributor to this income heading and is very unpredictable. Legacy income totalled £897,145 which was an increase of £600k on the prior year. Legacy income has contributed £7.5 million in the last fifteen years, with the 2023/24 year being the second highest of those years. Donations have decreased in the year which is predominantly as a result of not running a spring appeal in 2024 compared with £38k raised in March 2023. Sponsored events income is growing as the fundraising offer continues to expand.

Charitable activities income has increased in total by £53,895 primarily due to contract value increases and the ASC Discharge Fund work.

Trading income has increased by £79,797. Although £38,000 was a one-off revenue stream for the 2022/23 year only, fundraising and catering income have grown on the previous year. The standout element in the fundraising total is community events which received great support from local groups.

Expenditure on charitable activities on page 15 has increased by £124,158. Whilst the commitment to the control of expenditure remains, the economic environment means that rising costs were (and are) inevitable.

Cash at bank and short term investments totals £4.1 million at 31 March 2024. Liquidity and reserves are in constant focus and we endeavour to strike a balance between cash at bank and in investments. Due to the increased levels of cash and interest rates, bank interest investment income has increased in the year by over £80k.

The principal assets of the Hospice are buildings dedicated to the provision of Specialist Palliative Care Services which include the Inpatient Unit, the Wellbeing Centre and the Bereavement Counselling Centre. In February 2019 the Charity completed the purchase of land adjacent to the current Hospice buildings. The land currently adds value to the overall grounds of the hospice land and buildings but needs to be thought about in future planning.

The Charity relies on the support of the local ICBs, the support of the community and its own commercial activities to continue operating. The Trustees continue to ensure the success of the Charity through close monitoring and control of clinical and support operations and close working with local partners to ensure their continued support. A key element in the management of financial risk is a regular review of funds on deposit, investments, legacy income due, debtors, creditors and working capital.

The net increase in unrestricted funds was £874,582 (2023: decrease £104,369). Unrestricted funds are the operational reserves of the charity. The Trustees continually review the financial sustainability of Teesside Hospice and thanks are expressed to all staff and volunteers of the hospice who have made tremendous efforts to keep running costs to a minimum whilst maintaining a high standard of care to patients and their families and a safe working environment for all staff and volunteers.

Commercial Activities

It has been another year of operating within a difficult fundraising landscape. The ever-changing environment has hit our local community hard. We have had to be resourceful and creative with our approach to income generation.

We have recruited a strong team but recruitment and retention of this team has been a focus this year including the volunteer workforce. We have continued to streamline activity to focus on greater return on investment.

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2024

By focusing on what matters the most to our community and tailoring our ask to fit the operating environment, we have successfully brought in an income of £3,380,570 which surpassed the previous year by £170k and outperformed our expectations in raising a profit which was an increase of £160k on budget.

Highlights include:

- Maintained growth in community and events income to £516,669 which was an increase of £114,285 on the previous year
- Successful re-introduction of grants and trusts fundraising generating £154,530 an increase of £21,803 on the previous year
- Reindeer Run, Midnight Walk, Annual Ball, GNR all well supported community activities/events
- Additional £30k raised through Lucky Dip Sales and £6k profit from pop-up shops
- The retail department opened a new shop in Ingleby Barwick expanding our presence in the community and reaching new customers
- Retail Gift Aid increased to £85k surpassing last year by £14k

Charitable Activities

Funding is provided by Clinical Commissioning Groups on behalf of the Integrated Care Boards (ICBs). In recent years, the grants received from what is now called the North East & North Cumbria ICB have seen small growth. In 2023/24, the contract value was uplifted by 1.5% then by a further 1.6%. The Hospice continues to work closely with the ICB in respect of its services.

It is recognised that legacies are a critical element of the charitable company's funding, and the timing and amount of this income is uncertain. In the fifteen years to date, the annual legacy income averages approximately £456k (excluding an exceptional legacy of £695,000 in 2014/15 which significantly increased income in that year). The Board of Trustees recognises the need to continue to develop a legacy strategy whilst also developing income from other sources.

Key Performance Indicators are as follows:

| | 2023/24 | 2022/23 |
|---|---|-------------------------------|
| Increase in Tees Valley ICB contract value | 3.14% | 3.89% |
| Increase in Humber and North Yorkshire ICB contract value | 1.80% | 1.70% |
| Social media followers at year end – all platforms | 26,208 | 24,702 |
| (De)/Increase in total funds | 876,714 | (£134,307) |
| Number of legators included in income for the year | 24 | 17 |
| Number of active retail gift aid donors in year | 5,880 | 4,603 |
| Lottery entries in last draw of the year | 10,377 | 10,671 |
| Fundraising element of income generation ROI | 2.90 | 2.86 |
| Would you recommend the service - patient satisfaction survey IPU | Definitely 96% Possibly 2% Never 2% | Definitely 100% |
| Would you recommend the service - patient satisfaction survey Wellbeing | Yes 97% Maybe/blank 3% | Definitely 94% Possibly 6% |

Risk management

Keeping patients, families, staff and visitors safe, as well as protecting the organisation, is a fundamental principle at Teesside Hospice and as such risk management is a high priority within the organisation.

The Board of Trustees has conducted a review of the major strategic, business and operational risks to which the hospice is exposed and has produced a corporate risk register. The Senior Management Team review and update the operational risk register on (at least) a quarterly basis.

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2024

Dashboards were also produced for each department and presented at committee meetings. If there are areas of concern, or risks are identified, they are discussed at the Risk, Health and Safety Sub-Committee (RHSC) meetings and action is taken to mitigate risks. The RHSC ensures policies, procedures, systems, controls and awareness programmes are in place to minimise risks. We also engage the services of an external consultancy company to add an additional layer of scrutiny.

The diverse nature of the group's activities mean Teesside Hospice is exposed to numerous risks daily. Corporate risks include damage to reputation, fraud, compliance issues, loss of funding and IT security. Each department has had input into the operational risk register which provides further control over day-to-day risks faced.

Teesside Hospice sets expectations that all employees and volunteers will comply with all laws and regulations governing our company's behavior. When this is not the case, information is reported up internally within the organisation to Senior Management and shared with the Trustees, the external auditors and regulatory bodies as appropriate. Teesside Hospice takes compliance issues very seriously, investigating each one, and revisiting our operational controls. A full list of laws and regulations is maintained. Non-compliance is a major threat to the organisation which could result in patient services being closed or income generation being stopped.

Reserves

In considering our policy on reserves, the approach taken has been to split the reserves required into constituent parts. Firstly, to look at future forecasts in order to ascertain a working capital reserve. This encompassed looking at future budgets with a range of best to worst case scenario planning. Next it was necessary to look at income risk i.e. the figure needed to manage and survive any unprecedented or unpredicted loss of revenue and not to be used to permanently fund budget deficits but to be used to manage in emergency circumstances. Finally, it was necessary to consider expenditure risk. Our risk register captures everything that would require us to draw on reserves, each risk has an estimated cost and cumulatively give rise to a need to draw on reserves should the risks become a reality.

Our acceptable balance of free reserves is reviewed annually by the Finance & Facilities Committee and moving into 2024/25 the risk based approach above has defined an acceptable level of £3,100,000. Teesside Hospice has a strong balance sheet with free reserves exceeding this figure. This excess will play heavily into the strategy to be produced in 2024/25 led by the Chairperson and CEO with input from all Trustees and SMT.

The hospice group currently has free reserves of £3,714,343 (2023: £2,628,447). In calculating free reserves, the Trustees have excluded from total funds the restricted funds (£546,478), unrestricted tangible assets (£971,373), the fixed assets investment property (£120,000), the investment portfolio (£4,117,401) and designated funds (£587,607).

The above items must be excluded from total funds as it is essential to determine funds which are not subject to donor-imposed conditions (restricted) and hence are freely available for general (unrestricted) purposes. Free reserves are the resources the charity has or can make available to spend, after allowing for fixed assets and future spending plans. For full details of the designated funds and restricted funds and see notes 29 and 30.

Trustees have agreed the serious consideration of purchasing freehold property. Presently, all our retail stores are leased. The only exception to this is the premise at 410 Linthorpe Road which is owned by the charity. The lower floor is used for retail and the upper floor for office space. The addition of freehold property into our portfolio would bring a long-term asset for the business whereas rent is investing in another person's asset. A designated fund of £500k has been carried forward for the purchase of commercial property. It may be that this designation is increased in the future, but the value of this designation would be sufficient for the coming years.

Deficit budgets are forecasted, and we accept that reserves will be needed whilst we work through the current economic situation and the reviews being conducted by the NHS. We continue to look for cost improvements and new revenue initiatives. The aim is to hold sufficient free reserves to cover deficits in the future. Despite the challenges, the 2023/24 year has seen fantastically positive financial results. Consequently, a previous designated fund of £400,000 was released to general reserves.

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2024

In line with the corporate objectives, the digital development of the organisation is a priority. Teesside Hospice will take a collaborative approach to adopting digital solutions, developing digital roadmaps for each of our business functions which offer greater integration both internally and externally. We will invest in improving our knowledge, capability and confidence and as such a designated fund of £87,607 remains at the year end.

Investment powers and policy

Under the Memorandum and Articles of Association, the charity has the power to invest moneys not immediately required for its purposes, as thought fit, subject to good practice conditions. The Board of Trustees selects a group of Trustees to form the Finance & Facilities Committee, which in turn is responsible for overseeing the selection of professional investment advisors to aid the charity in identifying suitable investment for its funds.

No additional funds have been added into the investment portfolio in the financial year. At the year end, the unrealised gain on investment holdings for the 2023/24 year amounted to £255,107 (2023: loss £192,390). The investment property was professionally valued with no change (2023: no change).

Plans for future periods

The priorities for quality improvement we have identified for 2024/25 are set out below. We have selected one that will impact directly on each of the three headings: patient safety, clinical effectiveness and patient experience.

- Improvement 1 – Patient Safety (Implementation of Patient Safety Incident Reporting Framework Plan)

The NHS Patient Safety Strategy was published in 2019 (and updated 2021) setting out new approaches to continuously improve patient safety by building upon the existing foundations of having a patient safety culture and a patient safety system. The ambitious strategy sets out several actions to be implemented and delivered including the introduction of a new Patient Safety Incident Reporting Framework (PSIRF), which is a catalyst for change and as such it challenges us to think and respond differently when a patient safety incident occurs. PSIRF is a replacement for the NHS Serious Incident Framework.

The ethos of PSIRF is to promote learning and systematic improvement, moving away from the previous framework which focused more on process than emphasising a culture of continuous improvement in patient safety.

Due to size the of hospices in comparison to NHS trusts and the patient safety incident profiles of hospices it has been agreed with the local Integrated Care Board (ICB) that northeast hospice work collaboratively on providing a joint plan to deliver the national requirements.

- Improvement 2 – Clinical Effectiveness (Single Nurse Administration of Controlled Drugs)

Single Nurse Administration of Controlled Drugs has been adopted by many organisations and has proved successful in promoting timely, responsive administration of medication, releasing time for Registered Nurses (RNs) to fulfil other duties, with no compromise in patient safety.

Adopting the electronic prescribing medication administration record at Teesside Hospice in the previous year has been implemented successfully however it has highlighted time required when two RNs are needed to administer controlled drugs. RNs and occasionally patients and relatives have raised concerns regarding delays in administering controlled drugs. RNs are open to exploring alternatives to enhancing patient care drug administration and concomitantly releasing RNs' time to care.

- Improvement 3 – Patient Experience (Nutrition & Hydration)

Adequate nutrition and hydration are a fundamental part of patient care. Optimising nutrition and hydration for patients with specialist palliative care is ensuring that it is right for the patient at their stage of life.

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2024

In palliative care the focus of nutrition should be on improving quality of life and reducing any anxieties around food and eating. Illness, disease, and associated treatments can make huge demands on the body and, as a result, the recommendations for nutritional intake may be different to those for a person who is well.

Teesside Hospice has a track record of providing exceptional choice and high-quality nourishing food and drink to patients. We would like build upon existing good practice and promote further.

Other plans for the future

We await the ICB adoption of the NHS End of Life Care funding review. We are fully committed to the provision of safe, caring, responsive, effective and well-led services at Teesside Hospice. The hospice has a well-established clinical and corporate governance structure, with Trustees playing an active part in ensuring that Teesside Hospice fulfils its mission, according to its charitable objectives and in ensuring that the organisation remains responsible and compliant in all areas of regulation, health and safety, employment law and other relevant legislation. Our plans for the future involve widening access to ensure our services are accessible to the whole community as we understand there are inequalities in accessing palliative and end of life care for minority groups. We aim for further collaboration with the wider system to expand our reach.

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Auditors

The auditor, Waltons Business Advisers Limited has indicated its willingness to continue in office.

Statement of Trustees' responsibilities

The charity Trustees (who are also the directors of Teesside Hospice Care Foundation for the purpose of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group 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 in the Charities SORP (FRS 102),
- make judgments and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2024

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

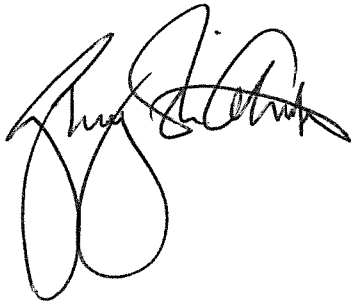
Statement as to disclosure of information to auditors

In so far as the Trustees are aware

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the Trustees have all taken steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report was approved by the Trustees on 29th August 2024 and signed on its behalf by

Trustee



**INDEPENDENT AUDITORS' REPORT TO THE INDEPENDENT MEMBERS OF
TEESSIDE HOSPICE CARE FOUNDATION
FOR THE YEAR ENDING 31 MARCH 2024**

Unqualified Opinion

We have audited the financial statements of Teesside Hospice Care Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2024 and of the charity's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 and parent charitable company 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.

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.

**INDEPENDENT AUDITORS' REPORT TO THE INDEPENDENT MEMBERS OF
TEESSIDE HOSPICE CARE FOUNDATION
FOR THE YEAR ENDING 31 MARCH 2024**

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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 groups and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE INDEPENDENT MEMBERS OF
TEESSIDE HOSPICE CARE FOUNDATION
FOR THE YEAR ENDING 31 MARCH 2024**

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

- to test the timing and existence of revenue,
- to review journals posted to key control accounts or posted around the year end, to look for potential "window dressing" as well as looking at a sample throughout the year.

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.

Use of our report

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



Waltons Business Advisers Limited

Chartered Accountants

Statutory Auditor

Maritime House

Harbour Walk

The Marina

Hartlepool

TS24 0UX

Date: 23 September 2024

TEESSIDE HOSPICE CARE FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 March 2024

| | Note | 2024 Unrestricted funds £ | 2024 Restricted funds £ | 2024 Total £ | As restated 2023 Total £ |
|---|-------|------------------------------------|----------------------------------|--------------------|-----------------------------------|
| Income: | | | | | |
| Donations and legacies | 2 | 2,086,596 | 130,021 | 2,216,617 | 1,559,400 |
| Charitable activities | 3 | 1,551,997 | 65,366 | 1,617,363 | 1,563,468 |
| Other trading activities | 4 | 2,121,478 | 3,057 | 2,124,535 | 2,044,738 |
| Investments | 6 | 220,215 | - | 220,215 | 133,057 |
| Other income | 7 | 645 | - | 645 | 46 |
| Total income | | 5,980,931 | 198,444 | 6,179,375 | 5,300,709 |
| Expenditure: | | | | | |
| Raising funds: other trading activities | 8 | 2,285,750 | 10,450 | 2,296,200 | 2,105,216 |
| Charitable activities | 9 | 3,075,706 | 185,862 | 3,261,568 | 3,137,410 |
| Total expenditure | | 5,361,456 | 196,312 | 5,557,768 | 5,242,626 |
| Net income/(expenditure) before other gains/losses | | 619,475 | 2,132 | 621,607 | 58,083 |
| Net gain/(loss) on investments | | 255,107 | - | 255,107 | (192,390) |
| Net income/(expenditure) | | 874,582 | 2,132 | 876,714 | (134,307) |
| Gross transfers between funds | | - | - | - | - |
| Net movement in funds for the year | | 874,582 | 2,132 | 876,714 | (134,307) |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | 8,636,142 | 544,346 | 9,180,488 | 9,314,795 |
| Total funds carried forward | 29/30 | 9,510,724 | 546,478 | 10,057,202 | 9,180,488 |

The statement of financial activities includes all gains and losses recognised in the year.

All of the above amounts relate to continuing activities.

TEESSIDE HOSPICE CARE FOUNDATION

Company number 01642201

Registered Charity Number 512875

CONSOLIDATED AND CHARITY BALANCE SHEETS AT 31 MARCH 2024

| | Note | Group 2024 £ | Group 2023 £ | Charity 2024 £ | Charity 2023 £ |
|--|-------|--------------------|--------------------|----------------------|----------------------|
| Fixed assets | | | | | |
| Tangible assets | 18/19 | 1,453,013 | 1,474,777 | 1,445,787 | 1,458,953 |
| Investments | 20 | 4,320,382 | 4,086,557 | 4,320,384 | 4,086,559 |
| | | <u>5,773,395</u> | <u>5,561,334</u> | <u>5,766,171</u> | <u>5,545,512</u> |
| Current assets | | | | | |
| Stocks | 21 | 63,188 | 56,384 | 2,584 | 15,637 |
| Debtors | 22 | 573,765 | 327,287 | 547,917 | 353,907 |
| Short term investments | 23 | 3,100,537 | 2,331,819 | 3,100,537 | 2,331,819 |
| Cash at bank and in hand | | 985,658 | 1,221,006 | 888,375 | 1,072,761 |
| | | <u>4,723,148</u> | <u>3,936,496</u> | <u>4,539,413</u> | <u>3,774,124</u> |
| Creditors: amounts falling due within one year | 24 | <u>(435,979)</u> | <u>(310,914)</u> | <u>(294,563)</u> | <u>(196,373)</u> |
| Net current assets | | 4,287,169 | 3,625,582 | 4,244,850 | 3,577,751 |
| Total assets less current liabilities | | 10,060,564 | 9,186,916 | 10,011,021 | 9,123,263 |
| Creditors: amounts falling due after more than one year | 25 | <u>(3,362)</u> | <u>(6,428)</u> | - | - |
| Net assets | | <u>10,057,202</u> | <u>9,180,488</u> | <u>10,011,021</u> | <u>9,123,263</u> |
| The funds of the charity | | | | | |
| Unrestricted funds | 29 | 9,510,724 | 8,636,142 | 9,464,543 | 8,578,917 |
| Restricted funds | 30 | 546,478 | 544,346 | 546,478 | 544,346 |
| Total charity funds | 27 | <u>10,057,202</u> | <u>9,180,488</u> | <u>10,011,021</u> | <u>9,123,263</u> |

A separate Statement of Financial Activities for the Charity as an individual entity is not presented because the Charity has taken advantage of the exemption offered by Section 408 of the Charities Act 2006. The net incoming resources before gains and losses for the year for the Charity was £632,651 (2023: £61,658).

The financial statements were approved by the Board of Directors and authorised for issue on 29th August 2024 and signed on their behalf by:

Trustee 

Trustee 

The accompanying accounting policies and notes form an integral part of these financial statements.

TEESSIDE HOSPICE CARE FOUNDATION

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2024

| | Note | 2024 £ | 2023 £ |
|---|------|------------------|------------------|
| Net cash flows from operating activities | 32 | 352,256 | 520,705 |
| Cash flows from investing activities | | | |
| Income from UK listed investments | | 91,946 | 85,058 |
| Income from other investment assets | | 6,300 | 6,300 |
| Interest received | | 121,969 | 41,699 |
| Purchase of property, plant and equipment | | (60,947) | (5,091) |
| Proceeds from sale of fixed assets | | 564 | - |
| Proceeds from sale of investments | | 758,668 | 326,381 |
| Purchase of financial investments | | (752,329) | (718,621) |
| | | <u>166,171</u> | <u>(264,274)</u> |
| Decrease in cash held in investment portfolio | | <u>14,943</u> | <u>19,434</u> |
| Net cash (used in) investing activities | | <u>181,114</u> | <u>(244,840)</u> |
| | | <u>533,370</u> | <u>275,865</u> |
| Increase in cash and cash equivalents in the year | | <u>3,552,825</u> | <u>3,276,960</u> |
| Cash and cash equivalents at the beginning of the year | | | |
| Total cash and cash equivalents at the end of the year | | <u>4,086,195</u> | <u>3,552,825</u> |
| Relating to: | | | |
| Cash at bank and in hand | | 985,658 | 1,221,006 |
| Short term investments | | <u>3,100,537</u> | <u>2,331,819</u> |
| Total cash and cash equivalents at the end of the year | | <u>4,086,195</u> | <u>3,552,825</u> |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

1 ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

BASIS OF ACCOUNTING

Teesside Hospice Care Foundation is a charitable company, limited by guarantee, registered in England. The address of the charity's registered office and principal place of business is 1 Northgate Road, Linthorpe, Middlesbrough, TS5 5NW.

Teesside Hospice Care Foundation meets the definition of a public benefit entity under FRS 102. The charity exists for the benefit of the public through the provision of hospice services to members of the public suffering from life-limiting illnesses.

These financial statements have been prepared in accordance with "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) – (Charities SORP (FRS 102)), and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost of transaction value except for investments which are included at market value, and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' effective 1 January 2019 (Charities SORP (FRS 102)) and the Companies Act 2006.

REDUCED DISCLOSURE OPTIONS

In accordance with FRS102, the Charity has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 Statement of Cash Flows – presentation of a statement of cash flow and related notes and disclosures in relation to the Charity's own statement of cash flows. A consolidated statement of cash flows is presented in these financial statements.

GOING CONCERN

FRS 102 requires that, if appropriate, the charity's and group's financial statements are prepared on the going concern basis, which means that the organisation is able to operate for the foreseeable future on the basis of known and reasonable projected resources. There are no material uncertainties in respect of the charity's and group's ability to continue as a going concern.

All areas within the organisation are constantly tasked with increasing cost-effectiveness and increasing self-generated revenue. The 2024/25 budget has been produced with line by line scrutiny. Measures are in place to ensure the financial position of the organisation is under constant review. The ongoing demand for services provided by the group ensures that the exposure to risk from the current difficult economic conditions is mitigated. The Trustees have prepared profit and loss forecasts and cash flow forecasts for the following 12 months and have reviewed the group's resources. Reserves are available to meet the group's needs as they arise as detailed in the reserves policy.

As a consequence, the Trustees believe the group is well placed to manage its business risks successfully and have a reasonable expectation that the charity and group have adequate reserves to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

BASIS OF CONSOLIDATION

The financial statements consolidate the results of the charity and its wholly owned subsidiary undertaking, Teesside Hospice (Trading) Limited, on a line-by-line basis. All financial statements are made up to 31 March 2024, and consistent accounting policies are used.

A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

INCOME

Income is recognised in the statement of financial activities when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably. The following policies are applied to particular categories of income:

Donations and legacies are received by way of grants, donations, legacies and gifts and are recognised where there is entitlement, receipt is probable, and the amount can be measured with sufficient reliability.

Legacies are included when the charitable company is advised by the personal representatives of an estate, whereby probate has been granted, and that payment will be made, or property transferred provided that sufficient information has been received to enable valuation of the charity's entitlement and hence the amount involved can be quantified.

Gifts in kind, which include donated drugs and dressings, is included as income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. The amount included in note 3 is £47,244 (2023: £57,345) of which £34,678 was drugs and dressings purchased then recharged to the ICB and £12,566 was the value of donated drugs and dressings. No income is recognised where there is no financial cost borne by a third party.

Income from charitable activities also include fees and grants received for services within contracts for operational programmes, and the income is recognised in the period in which it is receivable

Income from investments is included in the year in which it is receivable.

Income generated by the charitable company's sole subsidiary, is included within other trading activities income, and is included in the period in which the income is receivable. The charity lets a non-investment property to the trading subsidiary in furtherance of the charity's objects. Rental/service charge income and expenditure is removed on consolidation. The group also operates a donor procurement and management recharge agreement in relation to Retail Gift Aid donors. The income and expenditure is removed on consolidation.

Government grant income is recognised in the statement of financial activities when the group has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Where a grant is receivable as compensation for costs already incurred or for immediate financial support, with no future related costs, the grant is recognised as income in the period in which it is receivable.

Gifts donated for resale are included as income when they are sold. The Trustees acknowledge that they are assets of the Charity as soon as received but due to the fact that a very large number of small value items are received, the time and cost of valuing donated goods at receipt would outweigh any benefit (of having them valued) to the users of the financial statements. 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 a sale.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

RESOURCES EXPENDED

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is included in the Statement of Financial Activities on an accruals basis inclusive of any VAT which cannot be fully recovered.

Costs of raising funds are those incurred in attracting voluntary income, and the costs of the trading subsidiary for fundraising purposes.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries, and includes both the direct costs and support costs relating to these activities and an apportionment of support and governance costs.

Certain expenditure is directly attributable to specific activities and have been included in these categories. Certain other support costs, which are attributable to more than one activity, are apportioned across costs categories using methods including floor space, activity and headcount.

OPERATING LEASE AGREEMENTS

The group as a lessee

The charity classifies the lease of properties as operating leases. Rental charges are charged to the statement of financial activities on a straight-line basis of the period of the lease.

The group as lessor

Rental income from assets leased under operating leases is recognised on a straight-line basis over the term of the lease.

FUNDS ACCOUNTING - The funds held by the charity are:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

Designated funds – these are funds that comprise general funds that have been set aside at the discretion of the trustees for specific purposes. The purpose and use of these designated funds is set out in the notes to the financial statements.

Restricted funds – these are funds that can only be used for funds within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

TANGIBLE FIXED ASSETS

Individual tangible fixed assets costing £5,000 or more are capitalised. Tangible fixed assets are initially measured at cost and subsequently measured at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

| | | |
|----------------------------------|---|--|
| Freehold buildings | - | Straight line over forty years |
| Freehold land | - | Nil |
| Leasehold improvements | - | Straight line over the term of the lease |
| Computer equipment | - | 33% straight line |
| Fixtures, fittings and equipment | - | 15%-25% straight line |
| Motor vehicles | - | 25% straight line |

INVESTMENTS

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in income and expenditure.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

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Fixed asset investments held in the form of shares or securities are included at mid-market value at the balance sheet date. Realised gains and losses on investments are calculated as difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the SOFA in the year of disposal. Unrealised gains and losses represent the movement in the market values during the year and are credited to the statement or charged to the SOFA based on market value at the year end. Fixed asset investment property is measured at fair value whilst a reliable measure of fair value is available without undue cost or effort. Changes in fair value are recognised in the SOFA.

Short term investments are deposits held in fixed term bank accounts on which penalties would be incurred if funds were withdrawn before maturity.

STOCK

Stock is valued at the lower of cost and net realisable value. Items donated for resale are included in the financial statements when they are sold.

DEBTORS

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

CASH AT BANK AND IN HAND

Cash at bank and cash in hand includes cash held at bank and cash held in short term investments.

CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

FINANCIAL INSTRUMENTS

The charity has elected to apply the provisions of Section 11 “Basic Financial Instruments” and Section 12 “Other Financial Instruments Issues” of FRS 102, in full to all of its financial instruments. All of the charities financial assets and financial liabilities qualify as basis financial instruments. Basic Financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Financial assets: Trade and other debtors

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities: Trade and other creditors

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not resolved at the balance sheet date where transactions or events have occurred at that date will result in an obligation to pay more, or a right to pay less or to receive more tax with the following exceptions:

TEESSIDE HOSPICE CARE FOUNDATION

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Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be capitalised as an intangible fixed asset or a tangible fixed asset.

Employees are entitled to carry forward unused holiday entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employee's services are received.

Provision for termination benefits are recognised only when the company is demonstrably committed to terminate the employment of an employee, or a group of employees, before their normal retirement date or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

RETIREMENT BENEFITS

Multi-Employer Plan

The charitable company's clinical staff are eligible to contribute to the NHS pension scheme, an unfunded final salary scheme. Contributions are made by both the employer and the employee. The pension scheme is a multi-employer scheme. The charitable company is unable to identify its share of the underlying assets and liabilities of the scheme; the scheme is therefore accounted for as a defined contribution scheme in accordance with FRS102. Contributions are recognised as income and expenditure in the period to which they relate as there is insufficient information available to use defined benefit accounting.

Where applicable, a liability is recognised for contributions arising from an agreement with the multi-employer plan that determines how the charity will fund a deficit. Contributions are discounted when they are not expected to be settled wholly within 12 months of the period end.

Defined contribution plan

The charitable company also contributes to the personal pension scheme of certain other employees. The pensions costs charged in the financial statements represent the contribution payable by the charitable company during the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical areas of judgement

In categorising leases as finance leases or operating leases, management makes judgments as to whether significant risks and rewards of ownership have transferred to the charity as lessees, or the lessee, where the Charity is lessor.

Legacy recognition - legacies are recognised on a case by case basis after considering whether probate has been granted, and when the executor of the estate has communicated in writing both the amount and settlement date and hence there is sufficient information received to be able to value the charity's entitlement.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

2 DONATIONS AND LEGACIES

| | Unrestricted funds £ | Restricted funds £ | 2024 Total £ | 2023 Total £ |
|--------------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| General donations | 303,649 | 1,741 | 305,390 | 346,168 |
| Sponsored events | 298,653 | - | 298,653 | 268,383 |
| 'In Memory' donations | 131,224 | - | 131,224 | 142,965 |
| Placements/teaching | 4,607 | - | 4,607 | 13,199 |
| Retail sales applicable for Gift Aid | 340,020 | - | 340,020 | 285,092 |
| Gift Aid on retail | 85,048 | - | 85,048 | 71,319 |
| Grants and trusts received | 26,250 | 128,280 | 154,530 | 132,727 |
| Legacies | 897,145 | - | 897,145 | 299,547 |
| | <u>2,086,596</u> | <u>130,021</u> | <u>2,216,617</u> | <u>1,559,400</u> |
| 2023 total | <u>1,480,848</u> | <u>78,552</u> | <u>1,559,400</u> | |

Teesside Hospice has an established team of volunteers who offer their free time to the organisation. In accordance with FRS 102 and the Charities SORP (FRS 102) Section 6, the economic contribution of general volunteers is not recognised in the accounts in the absence of a reliable measurement basis. The current headcount approximately 370.

3 INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted funds £ | Restricted funds £ | 2024 Total £ | 2023 Total £ |
|----------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| North East and North Cumbria ICB | 768,475 | - | 768,475 | 711,308 |
| Drugs from ICB and Acute Trust | 47,244 | - | 47,244 | 57,345 |
| Lymphoedema clinic | 662,177 | 65,366 | 727,543 | 710,282 |
| Other ICB recharges | 74,101 | - | 74,101 | 75,823 |
| NHS England | - | - | - | 8,710 |
| | <u>1,551,997</u> | <u>65,366</u> | <u>1,617,363</u> | <u>1,563,468</u> |
| 2023 total | <u>1,491,379</u> | <u>72,089</u> | <u>1,563,468</u> | |

Drugs from the ICB and Acute Trust have been reclassified as charitable activities from donations and legacies and therefore the prior year figures have been restated accordingly.

4 OTHER TRADING ACTIVITIES

| | Unrestricted funds £ | Restricted funds £ | 2024 Total £ | 2023 Total £ |
|-------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Retail sales | 1,143,836 | - | 1,143,836 | 1,159,168 |
| Local authority grant funding | - | - | - | 3,800 |
| Fundraising | 264,064 | 3,057 | 267,121 | 142,793 |
| Lottery | 654,667 | - | 654,667 | 662,090 |
| Catering/coffee shop | 58,911 | - | 58,911 | 38,887 |
| Recharged employment costs | - | - | - | 38,000 |
| | <u>2,121,478</u> | <u>3,057</u> | <u>2,124,535</u> | <u>2,044,738</u> |

The income from other trading activities in 2023 all related to unrestricted funds.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

In 22/23 the local authorities contributed to shop signage. There are no unfulfilled conditions or contingencies attached to the recognised grants.

5 TRADING SUBSIDIARY

The charity controls the company listed below by virtue of holding a controlling interest in the equity share capital:

| Name of subsidiary | Country of incorporation | % of equity share capital held |
|------------------------------------|--------------------------|--------------------------------|
| Teesside Hospice (Trading) Limited | England and Wales | 100 |

Teesside Hospice Group consists of two companies. The holding company is Teesside Hospice Care Foundation (Limited by Guarantee) and its 100% subsidiary is Teesside Hospice (Trading) Limited.

The subsidiary company, Teesside Hospice (Trading) Limited is incorporated in England & Wales and undertakes trading and fundraising activities. Company Number of Teesside Hospice (Trading) Limited is 02265205. Taxable profits from this company are donated to the Hospice by Gift Aid, a fact which is referred to in the trading company's publicity material. The activities of the subsidiary have been consolidated on a line by line basis in the SOFA.

Two members of the charity's Board of Trustees plus two members of the Senior Management Team sit are Directors of the subsidiary.

The trading results of the subsidiary, as extracted from the audited financial statements, are summarised as follows:

| | 2024 £ | 2023 £ |
|---|----------------|----------------|
| Turnover | 1,798,503 | 1,821,258 |
| Total expenditure | (1,643,555) | (1,528,744) |
| Other income | 309,326 | 241,960 |
| Taxation (deferred tax credit - reversal of timing differences) | | - |
| Profit after tax for the year | <u>464,274</u> | <u>534,474</u> |

The assets and liabilities of Teesside Hospice (Trading) Limited were:

| | 2024 £ | 2023 £ |
|-------------------------|------------------|------------------|
| Assets | 214,154 | 233,771 |
| Liabilities | <u>(167,971)</u> | <u>(176,544)</u> |
| Total net assets | <u>46,183</u> | <u>57,227</u> |

6 INVESTMENTS

| | Unrestricted funds £ | 2024 Total £ | 2023 Total £ |
|--------------------------------------|-------------------------|--------------------|--------------------|
| Income from UK investment properties | 6,300 | 6,300 | 6,300 |
| Income from UK listed investments | 91,946 | 91,946 | 85,058 |
| Bank interest receivable | <u>121,969</u> | <u>121,969</u> | <u>41,699</u> |
| | <u>220,215</u> | <u>220,215</u> | <u>133,057</u> |

The investments income in 2023 all related to unrestricted funds.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

7 OTHER INCOME

| | Unrestricted funds £ | 2024 Total £ | 2023 Total £ |
|------------------------------|----------------------------|--------------------|--------------------|
| Sundry income | 81 | 81 | 46 |
| Profit on disposal of assets | 564 | 564 | - |
| | <u>645</u> | <u>645</u> | <u>46</u> |

The other income in 2023 all related to unrestricted funds.

8 RAISING FUNDS: COMMERCIAL TRADING ACTIVITY

| | Unrestricted Funds £ | Restricted funds £ | 2024 Total £ | 2023 Total £ |
|----------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Wages & salaries | 1,193,473 | 220 | 1,193,693 | 1,069,121 |
| Other costs | 1,063,353 | 10,230 | 1,073,583 | 1,002,491 |
| Depreciation | 9,968 | - | 9,968 | 9,569 |
| Investment management fees | 18,956 | - | 18,956 | 24,035 |
| | <u>2,285,750</u> | <u>10,450</u> | <u>2,296,200</u> | <u>2,105,216</u> |
| 2023 total | <u>2,101,912</u> | <u>3,304</u> | <u>2,105,216</u> | |

Administrative/SMT functions and catering activities have been reclassified as trading activities from charitable support costs and therefore the prior year figures have been restated accordingly.

9 COSTS OF CHARITABLE ACTIVITIES – BY FUND TYPE

| | Unrestricted funds £ | Restricted funds £ | 2024 Total £ | 2023 Total £ |
|-------------------------|----------------------------|--------------------------|--------------------|--------------------|
| I P U | 1,891,311 | 65,432 | 1,956,743 | 1,896,116 |
| Wellbeing & Lymphoedema | 973,099 | 117,544 | 1,090,643 | 1,034,708 |
| Bereavement Counselling | 211,296 | 2,886 | 214,182 | 206,586 |
| | <u>3,075,076</u> | <u>185,862</u> | <u>3,261,568</u> | <u>3,137,410</u> |
| 2023 total | <u>2,960,642</u> | <u>176,768</u> | <u>3,137,410</u> | |

10 COSTS OF CHARITABLE ACTIVITIES – BY ACTIVITY

| | Direct costs £ | Support costs £ | 2024 Total £ | 2023 Total £ |
|-------------------------|-------------------|--------------------|--------------------|--------------------|
| I P U | 1,515,475 | 441,268 | 1,956,743 | 1,896,116 |
| Wellbeing & Lymphoedema | 816,212 | 274,431 | 1,090,643 | 1,034,708 |
| Bereavement Counselling | 119,902 | 94,280 | 214,182 | 206,586 |
| | <u>2,451,589</u> | <u>809,979</u> | <u>3,261,568</u> | <u>3,137,410</u> |
| 2023 total | <u>2,341,408</u> | <u>796,002</u> | <u>3,137,410</u> | |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

11 ANALYSIS OF DIRECT AND SUPPORT COSTS

| DIRECT COSTS | IPU £ | Wellbeing and Lymph- oedema | Bereavement Counselling | 2024 Total £ | 2023 Total £ |
|-----------------------|------------------|-----------------------------------|----------------------------|--------------------|--------------------|
| | | £ | £ | £ | £ |
| Staff costs | 1,354,887 | 465,205 | 117,486 | 1,937,578 | 1,892,451 |
| Establishment | 21,267 | 5,823 | - | 27,090 | 19,160 |
| Drugs and dressings | 80,984 | 337,250 | - | 418,234 | 363,518 |
| Waste removal | 8,476 | 2,825 | - | 11,301 | 9,927 |
| Volunteer costs | 429 | 23 | 1,516 | 1,968 | 1,458 |
| Uniforms | 864 | 802 | - | 1,666 | 1,650 |
| Counselling resources | - | - | 900 | 900 | 2,736 |
| General expenses | 18 | 4,284 | - | 4,302 | 1,958 |
| Depreciation | 48,550 | - | - | 48,550 | 48,550 |
| | <u>1,515,475</u> | <u>816,212</u> | <u>119,902</u> | <u>2,451,589</u> | <u>2,341,408</u> |
| 2023 total | <u>1,480,004</u> | <u>745,534</u> | <u>115,870</u> | <u>2,341,408</u> | |
| SUPPORT COSTS | IPU | Wellbeing and Lymph- oedema | Bereavement Counselling | 2024 Total £ | 2023 Total £ |
| | | £ | £ | £ | £ |
| Staff costs | 257,917 | 179,606 | 54,716 | 492,239 | 468,292 |
| Establishment | 88,022 | 63,259 | 29,806 | 181,087 | 171,932 |
| Training & HR | 16,347 | 6,901 | 1,831 | 25,079 | 26,989 |
| Cleaning supplies | 11,711 | 4,391 | 722 | 16,824 | 19,271 |
| Kitchen supplies | 28,345 | - | - | 28,345 | 39,404 |
| Uniforms | 132 | 56 | 15 | 203 | 585 |
| General expenses | 19,643 | 8,293 | 2,200 | 30,136 | 33,297 |
| Depreciation | 11,837 | 8,420 | 3,936 | 24,193 | 23,151 |
| Irrecoverable VAT | 265 | 530 | 265 | 1,060 | 1,068 |
| Governance costs | 7,049 | 2,975 | 789 | 10,813 | 12,013 |
| | <u>441,268</u> | <u>274,431</u> | <u>94,280</u> | <u>809,979</u> | <u>796,002</u> |
| 2023 total | <u>416,112</u> | <u>289,174</u> | <u>90,716</u> | <u>796,002</u> | |

Support costs have been allocated using varying methods as described in resources expended on page 20. Consumables and clinical waste have been reclassified as direct costs from support costs and therefore the prior year figures have been restated accordingly.

12 GOVERNANCE COSTS

| | Unrestricted Funds £ | 2024 Total £ | 2023 Total £ |
|-----------------------------|----------------------------|--------------------|--------------------|
| Accountancy fees | - | - | 500 |
| Auditor remuneration | 9,050 | 9,050 | 11,500 |
| Internal audit | 1,600 | 1,600 | - |
| Legal and professional fees | 163 | 163 | 13 |
| | <u>10,813</u> | <u>10,813</u> | <u>12,013</u> |

The governance costs in 2023 all related to unrestricted funds.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

13 NET INCOMING RESOURCES FOR THE YEAR

| | 2024 | 2023 |
|--|----------------|----------------|
| | £ | £ |
| Net incoming resources for the year are stated after charging: | | |
| Auditor's remuneration | 13,035 | 11,500 |
| Non audit services | 560 | 500 |
| Depreciation of owned fixed assets | 82,711 | 81,270 |
| Profit on disposal of assets | (564) | - |
| Operating lease rentals – land and buildings | 217,935 | 210,057 |
| | <u>217,935</u> | <u>210,057</u> |

14 ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND COST OF KEY MANAGEMENT PERSONNEL

| | Costs of raising funds | Charitable expenditure | 2024 Total | 2023 Total |
|--|---------------------------|---------------------------|------------------|------------------|
| | £ | £ | £ | £ |
| Wages and salaries | 1,060,835 | 2,031,544 | 3,092,379 | 2,903,517 |
| Social security costs | 79,018 | 166,466 | 245,484 | 237,367 |
| Pension costs | 44,851 | 179,661 | 224,512 | 228,077 |
| Termination payments | 8,989 | - | 8,989 | - |
| Salaries paid via service level agreements | - | 52,146 | 52,146 | 60,903 |
| | <u>1,193,693</u> | <u>2,429,817</u> | <u>3,623,510</u> | <u>3,429,864</u> |

Throughout the last number of years it has been necessary to review the entire landscape of service delivery, and income generation, which resulted in the above termination payment.

Employees' emoluments

The number of employees who earned more than £60,000 excluding company pension and national insurance contributions during the year was as follows:

| | 2024 Number | 2023 Number |
|--------------------|----------------|----------------|
| £90,000 to £99,999 | - | 1 |
| £80,000 to £89,999 | 1 | - |
| £60,000 to £69,999 | 1 | - |

The number of higher paid employees accruing pension benefit was:

| | 2024 Number | 2023 Number |
|--|----------------|----------------|
| Defined contribution scheme – salary sacrifice arrangement | 2 | 1 |

Pension contributions paid in the year in respect of the above staff were £7,250 (2023: £4,556).

Key management personnel

The key management personnel of the group comprise those of the charity and the key management personnel of its wholly owned subsidiary Teesside Hospice (Trading) Limited. The total employee benefits of the key management personnel of the group were £395,098 (2023: £355,479).

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

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Trustees' remuneration

The Trustees received no remuneration during the year (2023: £nil) and no Trustee individually received payment for professional or other services supplied to the charity (2023: £nil).

The aggregate amount of expenses reimbursed to the Trustees for the year was £nil (2023: £nil). The number of persons reimbursed was 0 (2023: 0).

15 STAFF NUMBERS

The average monthly numbers of employees during the year, was as follows:

| | 2024 Number (Headcount) | 2024 Number (FTE) | 2023 Number (Headcount) | 2023 Number (FTE) |
|-------------------|--|----------------------------------|--|------------------------------|
| Hospice services | | | | |
| IPU | 29 | 24 | 28 | 24 |
| Medical | 6 | 3 | 6 | 3 |
| Wellbeing | 6 | 4 | 7 | 5 |
| Administration | 18 | 13 | 18 | 14 |
| Kitchen | 5 | 3 | 5 | 3 |
| Cleaning | 6 | 4 | 6 | 4 |
| Bereavement | 4 | 2 | 3 | 2 |
| AHP | 4 | 2 | 4 | 2 |
| Establishment | 3 | 3 | 3 | 3 |
| Lymphoedema | 10 | 6 | 9 | 5 |
| | <u>91</u> | <u>64</u> | <u>89</u> | <u>65</u> |
| Income generation | <u>52</u> | <u>41</u> | <u>50</u> | <u>40</u> |
| | <u><u>143</u></u> | <u><u>105</u></u> | <u><u>139</u></u> | <u><u>105</u></u> |

On average 14 bank staff are used per month.

The Hospice is recharged by South Tees Hospitals NHS Foundation Trust for the salaries of employees as follows:

| | 2024 Number | 2023 Number |
|-----|------------------------|------------------------|
| AHP | <u>2</u> | <u>3</u> |

16 TAXATION

The company is a registered charity and is exempt from tax on income and gains falling within sections 466 to 493 of the Corporation Tax Act 2010 or section 256 of the Taxable Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

The trading subsidiary is liable to corporation tax on their taxable profits. Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

17 FINANCIAL PERFORMANCE OF THE CHARITY

A separate Statement of Financial Activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006. The net incoming resources before gains and loss for the year for the charity was £632,651 (2023: £61,658).

18 TANGIBLE FIXED ASSETS – GROUP

| | Freehold buildings £ | Leasehold improvements £ | Freehold land £ | Fixtures, fittings and equipment £ | Motor vehicles £ | Total £ |
|------------------------|----------------------------|--------------------------------|--------------------|---|------------------------|------------------|
| Cost | | | | | | |
| At 1 April 2023 | 2,358,751 | 32,102 | 556,439 | 322,599 | 35,368 | 3,305,259 |
| Additions | - | - | - | 60,947 | - | 60,947 |
| Disposals | - | (32,102) | - | (123,220) | (35,368) | (190,690) |
| At 31 March 2024 | <u>2,358,751</u> | <u>-</u> | <u>556,439</u> | <u>260,326</u> | <u>-</u> | <u>3,175,516</u> |
| Depreciation | | | | | | |
| At 1 April 2023 | 1,478,675 | 32,102 | - | 284,337 | 35,368 | 1,830,482 |
| Charge for the year | 58,098 | - | - | 24,613 | - | 82,711 |
| Disposals | - | (32,102) | - | (123,220) | (35,368) | (190,690) |
| At 31 March 2024 | <u>1,536,773</u> | <u>-</u> | <u>-</u> | <u>185,730</u> | <u>-</u> | <u>1,722,503</u> |
| Net book values | | | | | | |
| At 31 March 2024 | <u>821,978</u> | <u>-</u> | <u>556,439</u> | <u>74,596</u> | <u>-</u> | <u>1,453,013</u> |
| At 31 March 2023 | <u>880,076</u> | <u>-</u> | <u>556,439</u> | <u>38,262</u> | <u>-</u> | <u>1,474,777</u> |

19 TANGIBLE FIXED ASSETS – CHARITY

| | Freehold buildings £ | Freehold land £ | Fixtures, fittings and equipment £ | Motor vehicles £ | Total £ |
|------------------------|----------------------------|-----------------------|---|------------------------|------------------|
| Cost | | | | | |
| At 1 April 2023 | 2,358,751 | 556,439 | 220,773 | 35,368 | 3,171,331 |
| Additions | - | - | 59,577 | - | 59,577 |
| Disposals | - | - | (72,729) | (35,368) | (108,097) |
| At 31 March 2024 | <u>2,358,751</u> | <u>556,439</u> | <u>207,621</u> | <u>-</u> | <u>3,122,811</u> |
| Depreciation | | | | | |
| At 1 April 2023 | 1,478,675 | - | 198,335 | 35,368 | 1,712,378 |
| Charge for the year | 58,098 | - | 14,645 | - | 72,743 |
| Disposals | - | - | (72,729) | (35,368) | (108,097) |
| At 31 March 2024 | <u>1,536,773</u> | <u>-</u> | <u>140,251</u> | <u>-</u> | <u>1,677,024</u> |
| Net book values | | | | | |
| At 31 March 2024 | <u>821,978</u> | <u>556,439</u> | <u>67,370</u> | <u>-</u> | <u>1,445,787</u> |
| At 31 March 2023 | <u>880,076</u> | <u>556,439</u> | <u>22,438</u> | <u>-</u> | <u>1,458,953</u> |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

20 FIXED ASSET INVESTMENT – GROUP AND CHARITY

| | Listed investments £ | Investment property £ | Cash held as part of the investment portfolio £ | Total £ |
|---|----------------------------|-----------------------------|---|------------------|
| Valuation | | | | |
| At 1 April 2023 | 3,868,633 | 120,000 | 97,924 | 4,086,557 |
| Additions | 752,329 | - | 758,668 | 1,510,997 |
| Disposals | (758,668) | - | (773,611) | (1,532,279) |
| Unrealised gain on revaluation of investments | 255,107 | - | - | 255,107 |
| At 31 March 2024 | <u>4,117,401</u> | <u>120,000</u> | <u>82,981</u> | <u>4,320,382</u> |
| Historical cost as at 31 March 2024 | <u>3,509,516</u> | <u>92,500</u> | <u>82,981</u> | <u>3,684,997</u> |

In addition to the above, the charitable company holds a £2 investment in the share capital of Teesside Hospice (Trading) Limited.

All fixed asset investments are held within the United Kingdom.

The investment property was professionally revalued as at 31 March 2024 by Browns Estate Agency Limited, Chartered Surveyors, on an open market basis. The investment property was also valued at 31 March 2023. There has been no change in valuation in the year. Browns Estate Agency Limited are not connected with the group. The property has three restrictions attached which are in existence during the donor's lifetime: 1. it will not be occupied by more than two adults; 2. There will be no pets and 3. It will not be sold without the donor's consent.

21 STOCKS

| | Group 2024 £ | Group 2023 £ | Charity 2024 £ | Charity 2023 £ |
|--------|--------------------|--------------------|----------------------|----------------------|
| Stocks | <u>63,188</u> | <u>56,384</u> | <u>2,584</u> | <u>15,637</u> |

22 DEBTORS

| | Group 2024 £ | Group 2023 £ | Charity 2024 £ | Charity 2023 £ |
|---|--------------------|--------------------|----------------------|----------------------|
| Trade debtors | 197,920 | 4,803 | 197,920 | 4,803 |
| Amounts due from subsidiary undertaking | - | - | - | 49,977 |
| Other debtors | 19,234 | 31,685 | 10,655 | 22,300 |
| VAT receivable | 27,180 | 20,541 | 40,965 | 26,139 |
| Prepayments and accrued income | <u>329,431</u> | <u>270,258</u> | <u>298,377</u> | <u>250,688</u> |
| | <u>573,765</u> | <u>327,287</u> | <u>547,917</u> | <u>353,907</u> |

23 SHORT TERM INVESTMENTS

| | Group 2024 £ | Group 2023 £ | Charity 2024 £ | Charity 2023 £ |
|-----------------------------|--------------------|--------------------|----------------------|----------------------|
| Cash equivalents on deposit | <u>3,100,537</u> | <u>2,331,819</u> | <u>3,100,537</u> | <u>2,331,819</u> |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

24 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group 2024 £ | Group 2023 £ | Charity 2024 £ | Charity 2023 £ |
|---------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Trade creditors | 181,151 | 66,108 | 147,955 | 63,669 |
| Amounts due to subsidiary undertaking | - | - | 9,408 | - |
| Other tax and social security | 58,701 | 53,157 | 58,701 | 53,157 |
| Other creditors | 38,356 | 35,916 | 29,721 | 29,965 |
| Accruals and deferred income | <u>157,771</u> | <u>155,733</u> | <u>48,778</u> | <u>49,582</u> |
| | <u>435,979</u> | <u>310,914</u> | <u>294,563</u> | <u>196,373</u> |
| | Group 2024 £ | Group 2023 £ | Charity 2024 £ | Charity 2023 £ |
| Deferred income | | | | |
| Deferred income brought forward | 92,996 | 94,008 | 13,830 | 300 |
| Resources deferred in the year | 83,320 | 92,996 | 9,025 | 13,830 |
| Amounts released from previous year | <u>(92,996)</u> | <u>(94,008)</u> | <u>(13,830)</u> | <u>(300)</u> |
| Deferred income carried forward | <u>83,320</u> | <u>92,996</u> | <u>9,025</u> | <u>13,830</u> |

Deferred income in the group includes £74,295 in respect of lottery membership payments paid in advance for future draws/donations.

25 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | Group 2024 £ | Group 2023 £ | Charity 2024 £ | Charity 2023 £ |
|-------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Lease liabilities | <u>3,362</u> | <u>6,428</u> | <u>-</u> | <u>-</u> |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

26 FINANCIAL INSTRUMENTS

| | Group 2024 | Group 2023 | Charity 2024 | Charity 2023 |
|---|-----------------------|----------------|-------------------------|-----------------|
| | £ | £ | £ | £ |
| FINANCIAL ASSETS | | | | |
| Debt instruments measured at amortised cost: | | | | |
| Trade debtors | 197,920 | 4,803 | 197,920 | 4,803 |
| Other debtors | 10,655 | 22,300 | 10,655 | 22,300 |
| Accrued income | 219,347 | 194,279 | 219,347 | 194,279 |
| TOTAL | <u>427,922</u> | <u>221,382</u> | <u>427,922</u> | <u>221,382</u> |
| FINANCIAL LIABILITIES | | | | |
| Measured at amortised cost: | | | | |
| Trade creditors | 181,151 | 66,108 | 147,955 | 63,669 |
| Other creditors | 38,356 | 35,916 | 29,721 | 29,965 |
| Accruals | 74,451 | 62,737 | 39,753 | 35,752 |
| Rent liabilities due after more than one year | 3,362 | 6,428 | - | - |
| TOTAL | <u>297,320</u> | <u>171,189</u> | <u>217,429</u> | <u>129,386</u> |

27 ANALYSIS OF NET ASSETS BETWEEN FUNDS – GROUP

| | Unrestricted funds £ | Restricted funds £ | Total funds 2024 £ | Total funds 2023 £ |
|--|-------------------------------------|-----------------------------------|-----------------------------------|--------------------------|
| Fund balances at 31 March 2024 represented by: | | | | |
| Tangible fixed assets | 971,373 | 481,640 | 1,453,013 | 1,474,777 |
| Investment assets | 4,320,382 | - | 4,320,382 | 4,086,557 |
| Current assets | 4,649,392 | 73,756 | 4,723,148 | 3,936,496 |
| Current liabilities and provisions | (430,423) | (8,918) | (439,341) | (317,342) |
| | <u>9,510,724</u> | <u>546,478</u> | <u>10,057,202</u> | <u>9,180,488</u> |
| 2023 total | <u>8,636,142</u> | <u>544,346</u> | <u>9,180,488</u> | |

ANALYSIS OF NET ASSETS BETWEEN FUNDS – CHARITY

| | Unrestricted funds £ | Restricted funds £ | Total funds 2024 £ | Total funds 2023 £ |
|--|-------------------------------------|-----------------------------------|-----------------------------------|--------------------------|
| Fund balances at 31 March 2024 represented by: | | | | |
| Tangible fixed assets | 964,147 | 481,640 | 1,445,787 | 1,458,953 |
| Investment assets | 4,320,384 | - | 4,320,384 | 4,086,559 |
| Current assets | 4,465,657 | 73,756 | 4,539,413 | 3,774,124 |
| Current liabilities and provisions | (285,645) | (8,918) | (294,563) | (196,373) |
| | <u>9,464,543</u> | <u>546,478</u> | <u>10,011,021</u> | <u>9,123,263</u> |
| 2023 total | <u>8,578,917</u> | <u>544,346</u> | <u>9,123,263</u> | |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

28 RETIREMENT BENEFITS

The trading company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The contributions payable by the company charged to income and expenditure amounted to £20,645 (2023: £18,728).

The group also operates the same defined contribution pension scheme for employees of the charity and in addition, participates in a multi-employer pension plan, being the NHS Pension Scheme. The assets of the scheme are held separately from those of the charity in independently administered funds. Furthermore, the group participates in the Pensions Trust Growth Plan, Series 4, a defined contribution pension scheme.

Total pension contributions payable by the group charged to income and expenditure amounted to £224,512 (2023: £228,077). Pension costs have been allocated based on the member of staff to whom the cost relates and the department they work in. Total contributions for all three pension schemes totalling £29,721 (2023: £29,965) were payable to the fund at the year end and are included in creditors.

NHS Pension Scheme

The NHS Pension Scheme is an unfunded, multi-employer defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable participating bodies to identify their share of the underlying Scheme assets and liabilities. Therefore, the Scheme is accounted for as if it were a defined contribution scheme: the cost to the charity of participating in the Scheme is taken as equal to the contributions payable to the Scheme for the accounting period.

At the balance sheet date there were 21 active members of the Scheme employed by the charity.

The Scheme is subject to a full actuarial valuation every four years, and an FRS102 accounting valuation every year. The most recent 2020 valuation identified the need to increase employer contributions. From 1 April 2024 the employer contribution rate was increased to 23.78% from 20.68% (including an administration levy of 0.08%). Employers will continue to pay at the rate of 14.38% with the balance of 9.4% being funded by government. The 2024 valuation will commence in 2025 and will determine the contribution rate for the four years from 1 April 2027.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

29 UNRESTRICTED FUNDS – GROUP

| 2023/24 | At 1 April 2023 £ | Incoming resources £ | Outgoing resources £ | Gains, losses & transfers £ | At 31 March 2024 £ |
|-------------------------------|-------------------------|----------------------------|----------------------------|-----------------------------------|-----------------------------|
| General reserves | | | | | |
| Charity | 7,528,917 | 3,873,102 | (3,663,864) | 1,138,781 | 8,876,936 |
| Non- charitable trading funds | 57,225 | 2,107,829 | (1,635,199) | (483,674) | 46,181 |
| Total General reserves | 7,586,142 | 5,980,931 | (5,299,063) | 655,107 | 8,923,117 |
| Designated property fund | 500,000 | - | - | - | 500,000 |
| Designated deficits fund | 400,000 | - | - | (400,000) | - |
| Designated digital fund | 150,000 | - | (62,393) | - | 87,607 |
| | <u>8,636,142</u> | <u>5,980,931</u> | <u>(5,361,456)</u> | <u>255,107</u> | <u>9,510,724</u> |
| 2022/23 | At 1 April 2022 £ | Incoming resources £ | Outgoing resources £ | Gains, losses & transfers £ | At 31 March 2023 £ |
| General reserves | | | | | |
| Charity | 7,779,711 | 3,086,850 | (3,533,810) | 196,166 | 7,528,917 |
| Non- charitable trading funds | 60,800 | 2,063,218 | (1,528,744) | (538,049) | 57,225 |
| Total General reserves | 7,840,511 | 5,150,068 | (5,062,554) | (341,883) | 7,586,142 |
| Designated property fund | 500,000 | - | - | - | 500,000 |
| Designated deficits fund | 400,000 | - | - | - | 400,000 |
| Designated digital fund | - | - | - | 150,000 | 150,000 |
| | <u>8,740,511</u> | <u>5,150,068</u> | <u>(5,062,554)</u> | <u>(191,883)</u> | <u>8,636,142</u> |

UNRESTRICTED FUNDS – CHARITY ONLY

| 2023/24 | At 1 April 2023 £ | Incoming resources £ | Outgoing resources £ | Gains, losses & transfers £ | At 31 March 2024 £ |
|--------------------------|-------------------------|----------------------------|----------------------------|-----------------------------------|-----------------------------|
| General reserves | 7,528,917 | 4,367,620 | (3,683,064) | 663,463 | 8,876,936 |
| Designated property fund | 500,000 | - | - | - | 500,000 |
| Designated deficits fund | 400,000 | - | - | (400,000) | - |
| Designated digital fund | 150,000 | - | (54,037) | (8,356) | 87,607 |
| | <u>8,578,917</u> | <u>4,367,620</u> | <u>(3,737,101)</u> | <u>255,107</u> | <u>9,464,543</u> |
| 2022/23 | At 1 April 2022 £ | Incoming resources £ | Outgoing resources £ | Gains, losses & transfers £ | At 31 March 2023 £ |
| General reserves | 7,779,711 | 3,644,099 | (3,553,010) | (341,883) | 7,528,917 |
| Designated property fund | 500,000 | - | - | - | 500,000 |
| Designated deficits fund | 400,000 | - | - | - | 400,000 |
| Designated digital fund | - | - | - | 150,000 | 150,000 |
| | <u>8,679,711</u> | <u>3,644,099</u> | <u>(3,553,010)</u> | <u>(191,883)</u> | <u>8,578,917</u> |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

| Name of unrestricted fund | Description, nature and purposes of the fund |
|---------------------------|--|
| General reserves | The general reserves represent the free funds of the charity which are not designated for any particular purpose. |
| Designated funds | <p>In March 2021 Trustees agreed to designate £500,000 for the purchase of commercial property, further details of which are given in the reserves policy. Suitable premises have not yet been identified.</p> <p>At that time Trustees also agreed that, despite the challenges faced in the year to 31 March 2021, the year had seen very positive financial results due to one-off government assistance. This non-recurrent income was required to support the hospice for a longer period of time than the 2020/21 financial year. Therefore, £400,000 was designated to be used against the 2021/22 budgeted deficit. The results for 2021/22 and subsequent years have been surpluses therefore the designation has been reversed and released to general reserves as at 31 March 2024.</p> <p>The digital development of the organisation is a priority. A technology budget plan has been produced by the Senior Management Team with the assistance of the IT service provider. In order to invest in improving our knowledge, capability and confidence a designated fund of £150,000 was established at 31 March 2023. This has reduced by a spend of £62,393 in the year.</p> |

30 RESTRICTED FUNDS – GROUP AND CHARITY

| | At 1 April 2023 £ | Incoming resources £ | Outgoing resources £ | Gains, losses & transfers £ | At 31 March 2024 £ |
|--|----------------------------|----------------------------|----------------------------|--------------------------------------|-----------------------------|
| 2023/24 | | | | | |
| Building Fund | 488,221 | - | (31,408) | - | 456,813 |
| North East and North Cumbria ICB | - | 65,366 | (65,366) | - | - |
| Individual Supporters | 2,213 | 4,798 | (4,874) | - | 2,137 |
| Grants & Trusts | 8,689 | 65,657 | (16,980) | - | 57,366 |
| Edward Guy Foundation | 4,739 | - | (4,739) | - | - |
| Patient Comfort Appeal | 17,495 | - | (11,662) | - | 5,833 |
| Screwfix Foundation | 6,802 | - | (308) | - | 6,494 |
| St James's Place Charitable Foundation | - | 25,983 | (25,983) | - | - |
| Woodsmith Foundation | 16,187 | 7,089 | (23,276) | - | - |
| Tees Valley Business ERDF | - | 10,230 | (10,230) | - | - |
| The National Lottery Community Fund | - | 19,321 | (1,486) | - | 17,835 |
| | <u>544,346</u> | <u>198,444</u> | <u>(196,312)</u> | - | <u>546,478</u> |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

| 2022/23 | At 1 April 2022 £ | Incoming resources £ | Outgoing resources £ | Gains, losses & transfers £ | At 31 March 2023 £ |
|--|----------------------------|----------------------------|----------------------------|--------------------------------------|-----------------------------|
| Building Fund | 519,629 | - | (31,408) | - | 488,221 |
| Local ICBs | - | 63,379 | (63,379) | - | - |
| Individual Supporters | 996 | 7,075 | (5,858) | - | 2,213 |
| Grants & Trusts | 7,306 | 35,106 | (33,666) | (57) | 8,689 |
| Edward Guy Foundation | 10,394 | - | (5,205) | (450) | 4,739 |
| Patient Comfort Appeal | 29,157 | - | (11,662) | - | 17,495 |
| Masonic Charitable Foundation | - | 12,646 | (12,646) | - | - |
| Screwfix Foundation | 6,802 | - | - | - | 6,802 |
| St James's Place Charitable Foundation | - | 5,725 | (5,725) | - | - |
| Woodsmith Foundation | - | 18,000 | (1,813) | - | 16,187 |
| NHS England | - | 8,710 | (8,710) | - | - |
| | <u>574,284</u> | <u>150,641</u> | <u>(180,072)</u> | <u>(507)</u> | <u>544,346</u> |

| Name of restricted fund | Description, nature and purposes of the fund |
|--|--|
| Building fund | The building fund represents the net book value of the inpatient unit and annexed buildings. The fund is reduced by the depreciation charge on these fixed assets. |
| North East and North Cumbria ICB | From April 2018 the local ICB has funded a proportion of the Lymphoedema Clinic salaries. |
| Individual Supporters | During the year, individual supporters made donations specifically for the benefit of core clinical services. These monies were spent on wellbeing crafts and equipment, lymphoedema equipment, complementary therapies, bereavement resources and IPU purchases. Two of these have been part spent with balances to be used in 2024/25. |
| Grants & Trusts | Various grant providers supported the Hospice again this year. These grants supported the maintenance and purchase of new equipment, uniforms, bereavement counselling service provision, wellbeing services and website design. Twenty four grants (of £10k or less) have a combined spend of £16,980 in the year. Of the balance of £57,366, five grants at £31,140 are to be reduced by the depreciation charge on these assets and the remaining £26,226 is to be expended in 2024/25. |
| Edward Guy Foundation | Edward Guy Foundation kindly contributed £17,000 in 18/19. £4,739 was spent in the year on landscaping and ground works which has transformed the hospice's exterior entrance / outdoor area. |
| Patient Comfort Appeal | In March 2019 Teesside Hospice launched the Patient Comfort Appeal with the target of raising £49,000 for 10 new specialist beds for the Inpatient Unit. The appeal was very successful. The fund is reduced by the depreciation charge on these fixed assets. |
| Screwfix Foundation | £6,802 was donated to install a car park barrier. Planning processes were passed in the year, with installation taking place in 2023/24. The fund is reduced by the depreciation charge on this fixed asset. |
| St James's Place Charitable Foundation | A Satellite clinic was set up to hold weekly sessions in Brotton commencing February 2023. Funding of £25,983 has been claimed to hold these sessions which continue until 30 April 2024. |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

| | |
|-------------------------------------|---|
| Woodsmith Foundation | Similarly to the St James's Place outreach clinic, £18,000 was paid in advance by Woodsmith Foundation to hold satellite clinics in Redcar for the benefit of over 65s. The clinics commenced in March with a spend of £1,813 with a further spend of £23,276 until completion at 29 February 2024. |
| Tees Valley Business ERDF | The funding of £10,230 was fully used in the financial year to increase growth in awareness and engagement from the corporate sector via social media. |
| The National Lottery Community Fund | The National Lottery Community Fund awarded £19,321 to fund complementary therapy services for a year from 1 March 2024. |

31 COMMITMENTS UNDER OPERATING LEASE COMMITMENTS

Group and charity

The group as a lessee:

The total future minimum lease payments under non-cancellable leases is set out below:

| | 2024 | 2023 |
|--------------------------------|---------------------------|--------------------|
| | Land and buildings | Land and buildings |
| | £ | £ |
| Operating leases which expire: | | |
| Within 1 year | 247,977 | 217,100 |
| Between 1 and 5 years | 525,309 | 626,228 |
| Greater than 5 years | 62,000 | 34,333 |
| | <u>835,286</u> | <u>877,661</u> |

The operating leases represent leases of premises. The leases are of varying terms.

Lease costs of £217,935 have been recognised as an expense in the year for the group and £237,135 for the trading subsidiary. The subsidiary leases part of 408/410 Linthorpe Road from the charity which is removed from the group accounts.

The charity as a lessor:

The total future minimum lease payments under non-cancellable leases is set out below:

| | 2024 | 2023 |
|--------------------------------|---------------------------|--------------------|
| | Land and buildings | Land and buildings |
| | £ | £ |
| Operating leases which expire: | | |
| Within 1 year | 19,200 | 19,200 |
| Between 1 and 5 years | 19,200 | 38,400 |
| | <u>38,400</u> | <u>57,600</u> |

The operating lease represents the lease of premises from Teesside Hospice Care Foundation to its wholly owned subsidiary Teesside Hospice (Trading) Limited.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

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

| | 2024 | 2023 |
|---|----------------|----------------|
| | £ | £ |
| Net incoming movement in funds | 876,714 | (134,307) |
| (Gain)/Loss on revaluation of investments | (255,107) | 192,390 |
| Income from investments | (98,246) | (91,358) |
| Interest receivable | (121,969) | (41,699) |
| Depreciation | 82,711 | 81,270 |
| Profit on disposal of assets | (564) | - |
| Increase in stocks | (6,804) | (24,910) |
| Decrease/(Increase) in debtors | (246,478) | 589,192 |
| (Decrease)/Increase in creditors | 121,999 | (49,873) |
| | <hr/> | <hr/> |
| Net cash (outflow)/inflow from operating activities | <u>352,256</u> | <u>520,705</u> |

33 LEGAL STATUS OF THE CHARITY

Teesside Hospice Care Foundation is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

34 RELATED PARTY TRANSACTIONS

The Clinkard Group Limited

The group benefits from the kind support of The Clinkard Group Limited. Teesside Hospice Care Foundation and Teesside Hospice (Trading) Limited and The Clinkard Group Limited share a common Trustee/Director, T Payne. In the year ended 31 March 2024 £1,500 (2023: £2,500) was donated to assist fundraising activity.

HR Alchemy

Teesside Hospice Care Foundation welcomed new Trustee J Davies to the Board during the year. J Davies business HR Alchemy kindly donated £2,385 to corporate fundraising in the year ended 31 March 2024 (2023: £2,410).

Hospice UK

David Smith, Chief Executive to 31 March 2024 is a Trustee on the Board of Hospice UK. We pay annual membership fees of £1,403 (2023: £858) to Hospice UK. In 2023/24 Teesside Hospice was also invoiced £8,400 for a contribution to Hospice UK's national legacy campaign. This is in creditors and prepayments at the year end. During the year Hospice UK paid Teesside Hospice £1,165 for reimbursement of David Smith's expenses (2023: £nil).

ACEVO

David Smith, Chief Executive to 31 March 2024 is a Trustee on the Board of ACEVO (Association of Chief Executives of Voluntary Organisations). We paid £735 (2023: £2,078) to ACEVO during the year. ACEVO paid Teesside Hospice £520 (2023: £645) for reimbursement of expenses.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

St Teresa's Hospice

During the period 1 April 2022 to 31 March 2023, employment costs totalling £38,438 were recharged to St Teresa's (Darlington Hospice) in respect of Chief Executive David Smith. This arrangement ceased with effect from 31 March 2023.

Teesside Hospice (Trading) Limited

During the year, the charity engaged in the following transactions with the wholly owned trading subsidiary. At 31 March 2024 the unsecured amount owed by Teesside Hospice Care Foundation was £9,408.

| | Lottery Future Credits | Intercompany Account | Total |
|--------------------------------|------------------------|----------------------|-------------|
| As at 1 April 2023 | (65,324) | 115,301 | 49,977 |
| 410 Linthorpe Road office | - | 65,266 | 65,266 |
| Payroll | - | 784,922 | 784,922 |
| Gift Aid covenant | - | 475,318 | 475,318 |
| Gift Aided retail sales | - | 340,020 | 340,020 |
| Donor management charges | - | (371,094) | (371,094) |
| Amounts paid to incorrect bank | - | 31,260 | 31,260 |
| Paid | - | (1,385,077) | (1,385,077) |
| Transfer | 4,324 | (4,324) | - |
| As at 31 March 2024 | (61,000) | 51,592 | (9,408) |

Teesside Hospice (Trading) Limited operates the weekly lottery in which members pay in advance for future draws. The balance of £61,000 would be repayable at 31 March 2024 should the lottery cease. The funds have been remitted to Teesside Hospice Care Foundation in previous years. The above balance therefore represents the charity's liability to lottery members at the year end.

TEESSIDE HOSPICE CARE FOUNDATION

England & Wales - Charity number 512875

Accounts

Teesside Hospice Care Foundation
(A Company limited by guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 MARCH 2023

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2023

Statement from the Chief Executive

As we look back on the last year it's been remarkable to see the difference the team at Teesside Hospice have continued to make to individuals and families affected by terminal illness. Our core clinical services have retained their focus on delivering specialist-level palliative and end of life care and our ambitions to help more people reduce the pain and distress they experience had led to new and innovative ways to reaching out into our community and opening up access to hospice care for those who might not previously have known about us.

Alongside clinical developments, engaging in medical research, implementing new digital healthcare and further developing the skills mix within our teams we have also used the specialist skills and knowledge within the team to deliver training outside the hospice, raise public awareness about death and dying and alongside our network of supporters in the community encouraged early conversations about death and dying in a timely and supportive way.

Of course, the year hasn't been without its challenges. The tailwinds of Covid-19 left us with restrictions to services and visiting which are never easy in a setting like ours. The long term impact of the pandemic is already creating a noticeable change to the demographic of people in our care in both our counselling and inpatient services with a clear need for both for those living with complex grief and those whose diagnosis and treatment may have been affected by lockdown.

Legislative amendments to the Health and Care Act this year have made the commissioning of specialist palliative care a mandatory requirement which, alongside explicit statutory guidance on how this should be funded, has offered some hope that hospice care might be moving towards a more sustainable financial footing. Given the precarious nature of most hospices in the country and all of the hospices in Tees Valley, using these new opportunities to secure an improved funding arrangement that supports the delivery of specialist-level care local people need remains a high priority for the hospice.

Teesside Hospice wouldn't be able to function without the support of its wider partners across system. This year has seen further integration and even closer collaboration with our health partners at South Tees NHS and social care in Middlesbrough, Redcar and Cleveland. Additionally, closer cooperation within the hospice network itself continues to deliver opportunities to learn, share and collaborate in order to bring greater benefits for those we are here to serve.

This report showcases our achievements over the last year and ambitions for the next. Hospice Care is very much a team activity and my thanks go to everybody who has contributed to our work this year. Partners, supporters, donors, funders, staff, volunteers - on the front line, back office, in retail and income generation and others still opening doors and championing the cause.



David Smith
Chief Executive

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2023

Directors and Trustees

The directors of the charitable company (the charity) are its Trustees for the purpose of charity law. The Trustees and officers serving during the year and since the year end were as follows:

Trustees:

| | |
|--------------------------|------------------------|
| E. Criddle - Chairperson | |
| J. Davies | (appointed 01/12/2022) |
| M. C. Ellington | |
| M.P.R. Firman | |
| M. D. Flannery | (resigned 01/09/2022) |
| C. Langrick | |
| T.J.O. Payne | |
| J. Sheridan | |
| G. Whitehead | |

Key management personnel:

All Trustees as listed above and the Senior Management Team:
Chief Executive – D. Smith
Finance Director/Deputy CEO – A. Wardle
Director of Nursing & Quality – D. Edwards
Director of Income Generation – D. Coulson
HR Manager – L. McMann (appointed 06/06/2022)
Workforce Development Manager – A. Doyle (resigned 30/06/2022)
Head of Retail – C. McMahon

Company registration number: 01642201

Registered charity number: 512875

Registered office:
1 Northgate Road
Linthorpe
Middlesbrough
TS5 5NW

Bankers:
Royal Bank of Scotland
31 Grey Street
Newcastle Upon Tyne
NE1 6ES

Solicitors:
Jacksons Law
17 Falcon Court
Preston Farm Industrial Estate
Stockton on Tees
TS18 3TU

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2023

Auditor: Waltons Business Advisers Limited
Maritime House
Harbour Walk
Hartlepool
TS24 0UX

Investment advisors: Rathbone Investment Management
Earl Grey House
75-85 Grey Street
Newcastle
NE1 6EF

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2023

The Trustees are pleased to present their annual report together with the financial statements of the charity and group for the year ended 31 March 2023. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the organisation's Memorandum and Articles of Association and 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 (FRS 102) (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.

Objectives and activities

The principal objective of Teesside Hospice Care Foundation during the year was that of providing hospice services for the public benefit. The hospice exists to enhance the quality of life for those suffering from life-limiting illness, and offers specialist palliative care and support to patients and carers, in the belief that each person is entitled to dignity and choice within the best provision of care.

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charities Commission. The Trustees have considered this guidance in shaping the charitable company's objectives for the year and planning current and future activities. Further details of the activities which provide public benefit are given below.

The hospice benefits the public by providing all of its services free of charge. The main catchment areas are Middlesbrough and Redcar & Cleveland. If it is appropriate, the Hospice accepts referrals from anywhere in the UK without prejudice. The clinical services at Teesside Hospice are provided for individuals with a life-limiting illness and this care is available regardless of their diagnosis. Although the majority of patients have advanced cancer, non-cancer diagnoses are also treated. Bereavement counselling services (adult and children) are accessible to any individual suffering from bereavement.

Teesside Hospice helps many members of the public each year and relies on other sources of income such as grants, donations and trading activities to cover its operating costs.

Strategic aim and objectives

The charity's strategic aim is to provide holistic palliative care at any point during a life-limiting illness. The majority of the charity's work focuses upon pain and symptom control and end of life care. All the charitable activities are undertaken to further our charitable purposes for the public benefit and fully reflect the purposes that the charitable company was set up to further.

Teesside Hospice is greatly supported by the local community and relies on voluntary help. The Hospice has an established team of volunteers who offer their time to all areas of the hospice. The volunteers are a valued resource to the organisation, enabling lower staff costs than would otherwise be the case. The active volunteer workforce has increased during the year and the count which we aim to increase further is approximately 310.

Our corporate objectives have been renewed going forward and the Board of Trustees and Senior Management Team hold the details which fall under the following eight headline objectives:

- Partnerships and Integration
- Collaboration
- Transition to Digital
- Influence and Campaigning
- Increase Cost Effectiveness
- Increase Self-Generated Revenue
- Workforce Development
- Securing a Fair Funding Deal with the NHS

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2023

Activities for achieving objectives

The charity's range of specialist palliative care services include:

- Ten beds for Inpatient Care offering specialist palliative care and management of symptom control and end of life care
- Wellbeing Services
- Adult Bereavement Counselling Services
- Children's and Young Adults' 'Forget-Me-Not' Bereavement Counselling Service
- Outpatient clinics
- Tees wide Lymphoedema clinics
- Working in partnership with specialist nurses

Structure, governance and management

Governing document

Teesside Hospice Care Foundation is a charitable company limited by guarantee (incorporated 9 June 1982 No. 01642201) and as such is governed by its Memorandum and Articles of Association, last amended by special resolution dated 27 August 2020. It is registered as a charity with the Charity Commission (No. 512875). Members of the charitable company are the Trustees who have guaranteed liabilities of the company up to a maximum of £1 each.

Governing body

The charitable company has a Board of Trustees in accordance with its Articles of Association, who are required to serve as members of the charitable company. The Board is made up of the Trustees who are elected by the members at a Board meeting. Each Trustee is required to meet specifications concerning eligibility, personal competence, specialist skills and local availability.

Teesside Hospice (Trading) Limited is 100% owned by the Charity. The Trustees have no interest in the shares of the subsidiary company, other than as directors of the parent company.

Trustee recruitment, induction and training

Trustees are recruited through word of mouth or through advertising in the local press and on our own website.

Whilst new Trustees are often familiar with the work of the hospice, they are inducted into the working environment of the hospice. New Trustees receive a detailed induction, an explanation and discussion session is also held with both the Chair and Chief Executive, where new Trustees are briefed on their legal obligations under both Company law and Charity Law. Trustees are also encouraged to spend time with Senior Managers from across the organisation and this has been found to be highly beneficial.

A Trustee workshop took place in October 2022 with the purpose of reviewing strategic issues faced by hospices but to also aid learning and engagement and to look at areas for development including designing new corporate objectives. In 2023/24 Trustees will continue with these and aim towards adopting the Charity Governance Code.

All Trustees give their time voluntarily and receive no benefits from the charitable company. Any expenses reclaimed from the charitable company are set out in note 14 to the financial statements.

No members of the Board of Trustees have served a term longer than the recommended period of nine years and Board composition has been heavily reviewed in the last three years to ensure an appropriate skill mix is present.

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2023

Organisational structure

The Board currently consists of 8 Trustees who meet at least four times per year to determine both the general and strategic direction and policy of the charity, and to review its overall management and control for which they are legally responsible. Other sub-committees (finance & facilities, fundraising, workforce development, quality & performance) meet as appropriate to discuss relevant issues. All sub-committees report back to the Trustees and have Trustee representation. In addition, the Senior Management Team meet twice monthly. Each sub-committee has a mandate from the Board to receive, consider and agree policies on behalf of the Board with the exception of those policies deemed by the committee to be contentious or of particular significance to the organisational culture. In these cases, the chair of the committee will then have the responsibility of presenting the policy for discussion at the next Board Meeting or convening a special meeting of Board members if deemed necessary.

A Chief Executive is appointed by the Trustees to manage the day-to-day operations of the charity and responsibility for the provision of the services rests with the Chief Executive. A scheme of delegation is in place, ensuring that the charity delivers the services specified and the Chief Executive is aided in his duties by departmental managers.

Pay policy for key management personnel

The Trustees consider that key management comprise the charity's Trustees and the Senior Management Team who are in charge of directing and controlling, running and operating the charity on a day-to-day basis. All Trustees give of their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in notes 14 and 34 to the accounts.

With effect from 1 April each year the National Minimum Wage (NMW) increases. For the 2022/23 year, pay was increased for all staff including SMT by a set percentage. With the challenge imposed by the high rise in NMW each year, Teesside Hospice were aware of the need to review the pay structure as a whole. SMT salaries have been reviewed by the Remuneration Committee against appropriate benchmarks and Teesside Hospice strives to pay all of its staff at an appropriate level taking into account our financial position and market pressures.

Staff

Teesside Hospice is committed to nil discrimination and encourages diversity. Our aim is to be truly representative of all sections of society and for each member of staff to feel respected and able to give their best. This policy extends beyond staff and volunteers to all service users, stakeholders and supporters.

The 'friends and family' questionnaire which was introduced in July 2017 was based on the NHS survey. The NHS have replaced this survey with the National Quarterly Pulse Survey (NQPS). The survey includes nine staff engagement questions covering motivation, involvement and advocacy. This is a significant increase in the depth of questioning previously asked. The staff and volunteer survey encompasses all aspects of the workforce, paid and unpaid, and will be issued on 5 May 2023 and will remain open for one month with results and evaluations to be circulated in July/August 2023..

In addition to the staff and volunteer survey, in April 2023 the HR department sent staff a health & wellbeing survey for completion as part of the Hospice's participation in the Better Health at Work Award and our attempt to achieve Bronze Accreditation by the end of 2023. Although in the early stages of evaluating the results, a response rate of approximately 50% can be confirmed.

The data taken from the surveys will allow us to determine which health and wellbeing campaigns our staff and volunteers would most like us to run throughout the year as we seek to support staff in the best and most relevant ways possible.

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2023

Our fundraising practice

Teesside Hospice's Fundraising Committee ensures that appropriate scrutiny and oversight has been applied to fundraising activity, performance and delivery. In addition to monitoring the development and implementation of fundraising activity, the Committee is responsible for monitoring financial performance. Development opportunities and future growth is debated, planned and actioned. The Committee meets quarterly whilst the SMT member of staff with day to day operational responsibility for fundraising activity (including lottery activity) is the Director of Income Generation. A fundraising strategy has been developed with the objective of maximising profitability whilst adapting to the current climate, maintaining visibility to the public and conducting income generation in an ethically sound manner. Teesside Hospice is registered with the Fundraising Regulator and is a member of the Hospice Lotteries Association. There have been no failures to comply with regulation nor have there been any complaints received. Risks associated with fundraising activity are continuously examined by inclusion in the operational risk register. In April 2022 we commenced using an external company to recruit new lottery members and it was ensured that their work was conducted in accordance with the agreed contract, reflecting the values and behaviours expected by Teesside Hospice. All staff and third parties receive training on protecting vulnerable individuals - if it is felt that a person is not capable of making an informed decision about supporting Teesside Hospice, e.g. because of mental health problems, learning disabilities or substance misuse relating to alcohol or drugs, attempts must not be made to sell any fundraising related product. Teesside Hospice operates an over 18s policy in respect of lottery membership and education is provided to staff on ways to spot a problem gambler.

Related parties

The charity's wholly owned subsidiary, Teesside Hospice (Trading) Limited is established to provide a trading arm to the charity. The principal activities of the subsidiary are that of lottery organiser and charity shopkeeper. The subsidiary gift aids all of its taxable profits to the charity.

Strategic Report

Achievements and performance

The charitable company's policies in the pursuit of its objectives are kept under regular review. The Board of Trustees considers the activities of the company during the year to be satisfactory. The funds and resources are used entirely for its main objective. The movements in funds are described in the consolidated statement of financial activities on page 15.

The Quality and Performance Committee

The Quality and Performance Committee is designated by the Board of Trustees to oversee the development and implementation of the professional framework for nursing, medicine, allied health and social care disciplines at Teesside Hospice. Issues relating to national, regional and local policies are debated, ratified and actioned by the committee in line with the agreed terms of reference. Membership of the committee is made up of multi professional staff that all contribute to the success of the committee.

Subgroups are formed as required and report to the Quality and Performance Committee.

Teesside Hospice always strives to deliver excellent, much needed services to the local people and its success depends on the delivery of safe, responsive and effective care and how valued we are by the people that need us. We monitor the care we provide, seek assurances that we provide high standards of care and outline aspirations that support our delivery of the strategic aims.

Patient feedback is important to us so that we can continuously review our services and improve on what is available. An annual patient survey is undertaken, and feedback is managed by the Clinical Audit & Quality Improvement Group. The outcome of the survey is shared widely within the organisation. Furthermore, we have a suggestion box for visitor and patients to provide us with live feedback that this is reviewed each day and act at the earliest opportunity.

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2023

The Care Quality Commission

Teesside Hospice is required to register with the Care Quality Commission (CQC) and its current registration status is for the following activities:

- Treatment of disease, disorder or injury

Teesside Hospice is registered with the following conditions:

- Services are provided for people over 18 years old
- The maximum of 10 patients may be accommodated overnight
- Notification in writing must be provided to the CQC at least one month prior to providing treatment or services not detailed in the Statement of Purpose.

The last unannounced routine inspection of Teesside Hospice took place on 16th March 2016. Our feedback was very positive and we received an overall rating of GOOD for our service. No areas were rated as inadequate. On 8th February 2021, relevant members of the SMT had a Transitional Monitoring Approach (TMA) call with the CQC. Positive feedback was given, and this did not result in any follow-up action such as an immediate visit. The CQC now use a mix of onsite and offsite monitoring and in accordance with this approach, they carried out a review of the data about Teesside Hospice in July 2022. They found no evidence to suggest that they needed to carry out an on-site inspection or reassess our rating.

Inpatient Unit: There were 131 patients who received inpatient care (148 episodes of care) with a variety of complex needs. The average length of stay for patients is 18 days. 32% of patients were discharged to their homes or a care home. 60% of patients received end of life care and 8% were discharged to the hospital/other services.

Wellbeing Centre: 2022/23 has continued to be a period of development for the services provided by the wellbeing team. Post Covid the service has moved away from the virtual support it provided back to face-to-face sessions. This has involved the introduction of morning and afternoon sessions, be-in-charge and recently two satellite services. There were 246 face-to-face sessions with 1,602 patient contacts which were individual and group sessions involving morning and afternoon programmes. 547 remote contacts were made to patients.

Lymphoedema Service: The lymphoedema clinic received 662 referrals over the course of 2022/2023. 155 more referrals were received than in the previous year (31% increase). There were 3,692 patient interactions including clinic/home visit appointments, education, advice calls and IPU and Wellbeing patients seen. There were 1,102 patients on the lymphoedema clinic caseload at the end of March 2023.

Bereavement Counselling Service: From April 2022 to March 2023 there were 1,331 bereavement counselling appointments attended (1,055 adults and 276 children). These appointments were either Face to Face, telephone or Zoom counselling and were received from GPs, other agencies and also self-referrals. The average length of service use was 10 weeks.

Volunteers

Teesside Hospice has an established team of volunteers who offer their time to each department across both the Trading Company and the Charity. The current headcount is in the region of 310 volunteers working side by side with paid staff to support them to fulfil their duties. Volunteer support was sadly affected in various ways during the pandemic but with the appointment of a designated HR Assistant, numbers are increasing again. Volunteers are a valued resource to the organisation and we recognise their commitment and value. The Board of Trustees and Trading Company Directors, who have uppermost authority for controlling the activities of Teesside Hospice are volunteers.

Financial review

The Financial Statements are prepared in accordance with Financial Reporting Standard 102 (FRS 102) and the Charities SORP (2019).

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2023

Teesside Hospice has had a successful year, and has ultimately generated a surplus before unrealised investment losses of £58,083. Without legacy income this result would have been deficit (£241,464). We commenced the year with a deficit budget of £526,084 (excluding unrealised gain/loss on investment). The surplus for the year dramatically exceeds expectations. The principal variances arose from: additional ICB funding in respect of additional support services provided; an increase in investment returns; income generation outperforming expectations; savings made in respect of salaries with some vacant posts and a delay in marketing projects.

Donations and legacies have increased by £391,903 (32%). Legacy income is one of the largest contributors to this income heading and is very unpredictable. Legacy income totalled £299,547 which was an increase of £147,859 on the prior year. Donations have increased in the year having received some high one-off donations. Sponsored events income is growing as the fundraising offer expands post Covid. Edward Guy Foundation funding of £75,000 per annum has ceased since that charity wound up. Trading income includes £38,000 being a new revenue stream for the 2022/23 year only, which involved recharging of salaries to a local hospice. Charitable activities income has decreased in total by £47,140 primarily due to the NHS support package in 2021/22. Likewise, other income totals £46 compared with £63,205 in the previous year which includes the CJRS and insurance income from the final Covid lockdowns.

Expenditure on charitable activities has increased by £280,602. Whilst the commitment to the control of expenditure remains, the economic environment means that rising costs were (and are) inevitable.

Cash at bank and short term investments totals £3.5 million at 31 March 2023. Liquidity and reserves are in constant focus and we endeavour to strike a balance between cash at bank and in investments.

The principal assets of the Hospice are buildings dedicated to the provision of Specialist Palliative Care Services which include the Inpatient Unit, the Wellbeing Centre and the Adult and Children's Bereavement Counselling Service. In February 2019 the Charity completed the purchase of land adjacent to the current Hospice buildings. The land currently adds value to the overall grounds of the hospice land and buildings.

The Charity relies on the support of the local ICBs, the support of the community and its own commercial activities to continue operating. The Trustees continue to ensure the success of the Charity through close monitoring and control of clinical and support operations and close working with local partners to ensure their continued support. A key element in the management of financial risk is a regular review of funds on deposit, investments, legacy income due, debtors, creditors and working capital.

The net decrease in unrestricted funds was £104,369 (2022: increase £578,354). Unrestricted funds are the operational reserves of the charity. The Trustees are undertaking a longer term review of financial planning including reliance on legacy income and thanks are expressed to all staff and volunteers of the hospice who have made tremendous efforts to keep running costs to a minimum whilst maintaining a high standard of care to patients and their families and a safe working environment for all staff and volunteers.

Commercial Activities

Operating in the fifth most deprived local authority area in England is always a challenge, and the added financial pressures caused by the cost-of-living crisis has undoubtedly hit our community hard. This has meant we have had to have a creative approach to our income generation.

Staff recruitment and retention challenges have also impacted on our growth plan, therefore we streamlined our activity and concentrated efforts on the areas with the greatest return on investment.

By focusing on what matters the most to our community and tailoring our ask to fit the operating environment, we have successfully brought in an income of £3,215,226 which far surpassed our expectations in raising a profit of £1,328,778 which was an increase of £189,269 on budget.

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2023

Highlights include:

- Successfully improving the split between restricted and unrestricted grant income to 54% - 46% split
- Building back community & events income to £437,620 an increase of £49,708 on previous year
- Increase Individual Giving profit by 46% to £304,134 by effective cultivation of mid-level and major donors increasing personal interactions and emphasising our needs
- Increased new lottery numbers by 1,624 (however we recognise that high cancellation numbers means investment is continuously required)
- Additional £23,302 raised through Lucky Dip Sales
- The retail department opened a new shop in Yarm generating an income of £92,908 in the first 9 months of trading
- Retail Gift Aid conversion rate was 22% an increase of 5% on previous year

Charitable Activities

Funding is provided by Clinical Commissioning Groups on behalf of the Integrated Care Boards (ICBs). In recent years, the grants received from what is now called the North East & North Cumbria ICB have seen small growth. In 2022/23, the contract value was uplifted by 1.7% then by a further 2.15%. The Hospice continues to work closely with the ICB in respect of its services.

It is recognised that legacies are a critical element of the charitable company's funding, and the timing and amount of this income is uncertain. In the fourteen years to date, the annual legacy income averages approximately £425k (excluding an exceptional legacy of £695,000 in 2014/15 which significantly increased income in that year). The Board of Trustees recognises the need to continue to develop a legacy strategy whilst also developing income from other sources.

Key Performance Indicators are as follows:

| | 2022/23 | 2021/22 |
|---|-------------------------------|-------------------------------|
| Change in Tees Valley ICB contract value | 3.89% | 0.20% |
| Increase in other ICB contract values | 1.7% | 2.25% |
| Social media followers at year end – all platforms | 24,702 | 23,754 |
| (De)/Increase in total funds | (£134,307) | £524,094 |
| Individual gifts in year (excludes retail sales and lottery membership) | 15,177 | 9,306 |
| Donors giving gifts in year | 5,159 | 4,076 |
| Number of legators included in income for the year | 17 | 18 |
| Number of active retail gift aid donors in year | 4,603 | 3,467 |
| Would you recommend the service - patient satisfaction survey IPU | Definitely 100% | Definitely 96% Possibly 4% |
| Would you recommend the service - patient satisfaction survey Wellbeing | Definitely 94% Possibly 6% | Not conducted |

Risk management

Keeping patients, families, staff and visitors safe, as well as protecting the organisation, is a fundamental principle at Teesside Hospice and as such risk management is a high priority within the organisation.

The Board of Trustees has conducted a review of the major strategic, business and operational risks to which the hospice is exposed and has produced a corporate risk register. The Senior Management Team review and update the operational risk register on (at least) a quarterly basis.

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2023

Dashboards are also produced for each department and presented at committee meetings. If there are areas of concern, or risks are identified, they are discussed at the Risk, Health and Safety Sub-Committee (RHSC) meetings and action is taken to mitigate risks. The RHSC ensures policies, procedures, systems, controls and awareness programmes are in place to minimise risks. We also engage the services of an external consultancy company to add an additional layer of scrutiny.

The diverse nature of the group's activities mean Teesside Hospice is exposed to numerous risks daily. Corporate risks include damage to reputation, fraud, compliance issues, loss of funding and IT security. Each department has had input into the operational risk register which provides further control over day-to-day risks faced.

Teesside Hospice sets expectations that all employees and volunteers will comply with all laws and regulations governing our company's behavior. When this is not the case, information is reported up internally within the organisation to Senior Management and shared with the Trustees, the external auditors and regulatory bodies as appropriate. Teesside Hospice takes compliance issues very seriously, investigating each one, and revisiting our operational controls. A full list of laws and regulations is maintained. Non-compliance is a major threat to the organisation which could result in patient services being closed or income generation being stopped.

The global spread of Covid-19 significantly affected organisations. The impact has demanded that risk constantly be reviewed, and the risk register updated and presented to the Board of Trustees via the relevant Committees. Risks include visitor restrictions, PPE availability, staffing levels and more in addition to the financial consequences. We are now emerging from the pandemic and risks continue to be re-assessed accordingly.

Teesside Hospice achieved the Macmillan Quality Environment Mark (MQEM) award in March 2023 following an on-site assessment with the highest possible scores. The MQEM award aims to set the highest possible standards for palliative care environments based on a robust understanding of the needs of people affected by cancer.

Reserves

In considering our policy on reserves, the approach taken has been to split the reserves required into constituent parts. Firstly, to look at future forecasts in order to ascertain a working capital reserve. This encompassed looking at future budgets with a range of best to worst case scenario planning. Next it was necessary to look at income risk i.e. the figure needed to manage and survive any unprecedented or unpredicted loss of revenue and not to be used to permanently fund budget deficits but to be used to manage in emergency circumstances. Finally, it was necessary to consider expenditure risk. Our risk register captures everything that would require us to draw on reserves, each risk has an estimated cost and cumulatively give rise to a need to draw on reserves should the risks become a reality.

Our acceptable balance of free reserves is reviewed annually by the Finance & Facilities Committee and moving into 2023/24 the risk based approach above has defined an acceptable level of £2,500,000.

The hospice group currently has free reserves of £2,628,447 (2022: £3,049,557). In calculating free reserves, the Trustees have excluded from total funds the restricted funds (£544,346), unrestricted tangible assets (£969,062), the fixed assets investment property (£120,000), the investment portfolio (£3,868,633) and designated funds (£1,050,000).

The above items must be excluded from total funds as it is essential to determine funds which are not subject to donor-imposed conditions (restricted) and hence are freely available for general (unrestricted) purposes. Free reserves are the resources the charity has or can make available to spend, after allowing for fixed assets and future spending plans. For full details of the designated funds and restricted funds and see notes 29 and 30.

Trustees have agreed the serious consideration of purchasing freehold property. Presently, all our retail stores are leased. The only exception to this is the premise at 410 Linthorpe Road which is owned by the charity. The lower floor is used for retail and the upper floor for office space. The addition of freehold property into our portfolio would bring a long-term asset for the business whereas rent is investing in another person's asset. A designated fund of £500k has been carried forward for the purchase of commercial property. It may be that this designation is increased in the future, but the value of this designation would be sufficient for the coming financial year.

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2023

Deficit budgets are forecasted, and we accept that reserves will be needed whilst we work through the current economic situation and the reviews being conducted by the NHS. We continue to look for cost improvements and new revenue initiatives. The aim is to hold sufficient free reserves to cover deficits in the future. Despite the challenges, the 2022/23 year has seen positive financial results. Consequently, Trustees carried forward the designation of £400k to allow for the reduction in free reserves budgeted for 2023/24.

In line with the corporate objectives, the digital development of the organisation is a priority. Teesside Hospice will take a collaborative approach to adopting digital solutions, developing digital roadmaps for each of our business functions which offer greater integration both internally and externally. We will invest in improving our knowledge, capability and confidence and as such a designated fund of £150,000 has been established.

Investment powers and policy

Under the Memorandum and Articles of Association, the charity has the power to invest moneys not immediately required for its purposes, as thought fit, subject to good practice conditions. The Board of Trustees selects a group of Trustees to form the Finance & Facilities Committee, which in turn is responsible for overseeing the selection of professional investment advisors to aid the charity in identifying suitable investment for its funds.

£400k has been invested into the investment portfolio in the financial year. At the year end, the unrealised loss on investment holdings for the 2022/23 year amounted to £192,390 (2022: gain £192,368). The investment property was professionally valued with no change (2022: gain £10,000).

Plans for future periods

The priorities for quality improvement we have identified for 2023/24 are set out below. We have selected one that will impact directly on each of the three headings: patient safety, clinical effectiveness and patient experience.

- Improvement 1 – Patient Safety (Electronic Prescribing and Medicines Administration - EPMA)

Teesside Hospice In-Patient Unit is developing its digital strategy and moving towards a 'paper lite' clinical documentation system facilitated through the electronic patient record in SystemOne which enables us to introduce electronic medicines management.

The move to EPMA will bring with it a significant range of safety, quality, efficiency and accessibility improvements whilst reducing costs and reliance on paper based systems.

- Improvement 2 – Clinical Effectiveness (Emergency Health Care Plans - EHCPs)

EHCPs are used to document actions to be taken in an anticipated emergency for any patient at any age. At Teesside Hospice, EHCPs are completed for patients with terminal illness being discharged from the hospice to support the patient to remain in their preferred place of care. This forms part of the conversations around advanced care planning. Nationally there is a drive to increase the number of patients given the opportunity to take part in these conversations. Regionally there is a drive to increase both the numbers and quality of EHCPs.

Whilst Teesside Hospice demonstrates extensive discussions with patients, it is recognised that there is an opportunity to increase the confidence and skills of staff regarding the development and documentation of EHCPs and to ensure there is a standardised approach to producing high quality and useful to follow EHCPs.

TEESSIDE HOSPICE CARE FOUNDATION

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For the year ended 31 March 2023

- **Improvement 3 – Patient Experience (Patient & Carer Experience)**

Teesside Hospice has a longstanding reputation for delivering high quality care. We know this by positive feedback received through verbal feedback, thank you cards, feedback forms and increasingly more via social media platforms. However, it is felt we need to strengthen our methods to include more timely 'live' feedback by introducing digital platforms.

The project will seek to develop new approaches to collecting feedback on our services using a variety of media and to involve those using our services in future service developments.

Other plans for the future

We await the ICB adoption of the NHS End of Life Care funding review. We are fully committed to the provision of safe, caring, responsive, effective and well-led services at Teesside Hospice. The hospice has a well-established clinical and corporate governance structure, with Trustees playing an active part in ensuring that Teesside Hospice fulfils its mission, according to its charitable objectives and in ensuring that the organisation remains responsible and compliant in all areas of regulation, health and safety, employment law and other relevant legislation. Our plans for the future involve widening access to ensure our services are accessible to the whole community as we understand there are inequalities in accessing palliative and end of life care for minority groups. We are also opening up our bereavement café and are taking our wellbeing services out into the community via satellite clinics.

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Auditors

The auditor, Waltons Business Advisers Limited has indicated its willingness to continue in office.

Statement of Trustees' responsibilities

The charity Trustees (who are also the directors of Teesside Hospice Care Foundation for the purpose of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group 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 in the Charities SORP (FRS 102),
- make judgments and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2023

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure of information to auditors

In so far as the Trustees are aware

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the Trustees have all taken steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report was approved by the Trustees on 31.08.23 and signed on its behalf by 

E Criddle
Trustee

**INDEPENDENT AUDITORS' REPORT TO THE INDEPENDENT MEMBERS OF
TEESSIDE HOSPICE CARE FOUNDATION
FOR THE YEAR ENDING 31 MARCH 2023**

Unqualified Opinion

We have audited the financial statements of Teesside Hospice Care Foundation (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 company 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 charity's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 and parent charitable company 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.

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.

**INDEPENDENT AUDITORS' REPORT TO THE INDEPENDENT MEMBERS OF
TEESSIDE HOSPICE CARE FOUNDATION
FOR THE YEAR ENDING 31 MARCH 2023**

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

- to test the timing and existence of revenue,
- to review journals posted to key control accounts or posted around the year end, to look for potential "window dressing" as well as looking at a sample throughout the year.

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.

Use of our report

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

Kensica

Waltons Business Advisers Limited
Chartered Accountants
Statutory Auditor
Maritime House
Harbour Walk
The Marina
Hartlepool
TS24 0UX

Date: 19 September 2023

**INDEPENDENT AUDITORS' REPORT TO THE INDEPENDENT MEMBERS OF
TEESSIDE HOSPICE CARE FOUNDATION
FOR THE YEAR ENDING 31 MARCH 2023**

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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 groups and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

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

TEESSIDE HOSPICE CARE FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 March 2023

| | Note | 2023 Unrestricted funds £ | 2023 Restricted funds £ | 2023 Total £ | 2022 Total £ |
|---|-------|------------------------------------|----------------------------------|--------------------|--------------------|
| Income: | | | | | |
| Donations and legacies | 2 | 1,538,193 | 78,552 | 1,616,745 | 1,224,842 |
| Charitable activities | 3 | 1,434,034 | 72,089 | 1,506,123 | 1,553,263 |
| Other trading activities | 4 | 2,044,738 | - | 2,044,738 | 1,976,464 |
| Investments | 6 | 133,057 | - | 133,057 | 73,480 |
| Other income | 7 | 46 | - | 46 | 63,205 |
| Total income | | 5,150,068 | 150,641 | 5,300,709 | 4,891,254 |
| Expenditure: | | | | | |
| Raising funds: other trading activities | 8 | 1,995,121 | 3,304 | 1,998,425 | 1,605,929 |
| Charitable activities | 9 | 3,067,433 | 176,768 | 3,244,201 | 2,963,599 |
| Total expenditure | | 5,062,554 | 180,072 | 5,242,626 | 4,569,528 |
| Net income/(expenditure) before other gains/losses | | 87,514 | (29,431) | 58,083 | 321,726 |
| Net gain/(loss) on investments | | (192,390) | - | (192,390) | 202,368 |
| Net income/(expenditure) | | (104,876) | (29,431) | (134,307) | 524,094 |
| Gross transfers between funds | | 507 | (507) | - | - |
| Net movement in funds for the year | | (104,369) | (29,938) | (134,307) | 524,094 |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | 8,740,511 | 574,284 | 9,314,795 | 8,790,701 |
| Total funds carried forward | 29/30 | 8,636,142 | 544,346 | 9,180,488 | 9,314,795 |

The statement of financial activities includes all gains and losses recognised in the year.

All of the above amounts relate to continuing activities.

TEESSIDE HOSPICE CARE FOUNDATION

Company number 01642201

Registered Charity Number 512875

CONSOLIDATED AND CHARITY BALANCE SHEETS AT 31 MARCH 2023

| | Note | Group 2023 £ | Group 2022 £ | Charity 2023 £ | Charity 2022 £ |
|--|-------|--------------------|--------------------|----------------------|----------------------|
| Fixed assets | | | | | |
| Tangible assets | 18/19 | 1,474,777 | 1,550,956 | 1,458,953 | 1,530,654 |
| Investments | 20 | 4,086,557 | 3,906,141 | 4,086,559 | 3,906,143 |
| | | <u>5,561,334</u> | <u>5,457,097</u> | <u>5,545,512</u> | <u>5,436,797</u> |
| Current assets | | | | | |
| Stocks | 21 | 56,384 | 31,474 | 15,637 | - |
| Debtors | 22 | 327,287 | 916,479 | 353,907 | 909,401 |
| Short term investments | 23 | 2,331,819 | 1,986,299 | 2,331,819 | 1,986,299 |
| Cash at bank and in hand | | 1,221,006 | 1,290,661 | 1,072,761 | 1,127,464 |
| | | <u>3,936,496</u> | <u>4,224,913</u> | <u>3,774,124</u> | <u>4,023,164</u> |
| Creditors: amounts falling due within one year | 24 | <u>(310,914)</u> | <u>(360,060)</u> | <u>(196,373)</u> | <u>(205,966)</u> |
| Net current assets | | <u>3,625,582</u> | <u>3,864,853</u> | <u>3,577,751</u> | <u>3,817,198</u> |
| Total assets less current liabilities | | <u>9,186,916</u> | <u>9,321,950</u> | <u>9,123,263</u> | <u>9,253,995</u> |
| Creditors: amounts falling due after more than one year | 25 | <u>(6,428)</u> | <u>(7,155)</u> | <u>-</u> | <u>-</u> |
| Net assets | | <u>9,180,488</u> | <u>9,314,795</u> | <u>9,123,263</u> | <u>9,253,995</u> |
| The funds of the charity | | | | | |
| Unrestricted funds | 29 | 8,636,142 | 8,740,511 | 8,578,917 | 8,679,711 |
| Restricted funds | 30 | 544,346 | 574,284 | 544,346 | 574,284 |
| Total charity funds | 27 | <u>9,180,488</u> | <u>9,314,795</u> | <u>9,123,263</u> | <u>9,253,995</u> |

A separate Statement of Financial Activities for the Charity as an individual entity is not presented because the Charity has taken advantage of the exemption offered by Section 408 of the Charities Act 2006. The net incoming resources before gains and losses for the year for the Charity was £61,658 (2022: £365,268).

The financial statements were approved by the Board of Directors and authorised for issue on 31.08.23 and signed on their behalf by:



E Criddle
Trustee



M Firman
Trustee

The accompanying accounting policies and notes form an integral part of these financial statements.

TEESSIDE HOSPICE CARE FOUNDATION

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2023

| | Note | 2023 £ | 2022 £ |
|---|------|-------------------------|-------------------------|
| Net cash flows from operating activities | 32 | 520,705 | 126,279 |
| Cash flows from investing activities | | | |
| Income from UK listed investments | | 85,058 | 52,520 |
| Income from other investment assets | | 6,300 | 6,300 |
| Interest received | | 41,699 | 14,660 |
| Purchase of property, plant and equipment | | (5,091) | - |
| Proceeds from sale of investments | | 326,381 | 387,921 |
| Purchase of financial investments | | (718,621) | (991,556) |
| | | <u>(264,274)</u> | <u>(530,155)</u> |
| (Increase)/Decrease in cash held in investment portfolio | | <u>19,434</u> | <u>(72,609)</u> |
| Net cash (used in) investing activities | | <u>(244,840)</u> | <u>(602,764)</u> |
| (Decrease)/Increase in cash and cash equivalents in the year | | 275,865 | (476,485) |
| Cash and cash equivalents at the beginning of the year | | <u>3,276,960</u> | <u>3,753,445</u> |
| Total cash and cash equivalents at the end of the year | | <u><u>3,552,825</u></u> | <u><u>3,276,960</u></u> |
| Relating to: | | | |
| Cash at bank and in hand | | 1,221,006 | 1,290,661 |
| Short term investments | | <u>2,331,819</u> | <u>1,986,299</u> |
| Total cash and cash equivalents at the end of the year | | <u><u>3,552,825</u></u> | <u><u>3,276,960</u></u> |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

1 ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

BASIS OF ACCOUNTING

Teesside Hospice Care Foundation is a charitable company, limited by guarantee, registered in England. The address of the charity's registered office and principal place of business is 1 Northgate Road, Linthorpe, Middlesbrough, TS5 5NW.

Teesside Hospice Care Foundation meets the definition of a public benefit entity under FRS 102. The charity exists for the benefit of the public through the provision of hospice services to members of the public suffering from life-limiting illnesses.

These financial statements have been prepared in accordance with "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) – (Charities SORP (FRS 102)), and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost of transaction value except for investments which are included at market value, and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' effective 1 January 2019 (Charities SORP (FRS 102)) and the Companies Act 2006.

REDUCED DISCLOSURE OPTIONS

In accordance with FRS102, the Charity has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 Statement of Cash Flows – presentation of a statement of cash flow and related notes and disclosures in relation to the Charity's own statement of cash flows. A consolidated statement of cash flows is presented in these financial statements.

GOING CONCERN

FRS 102 requires that, if appropriate, the charity's and group's financial statements are prepared on the going concern basis, which means that the organisation is able to operate for the foreseeable future on the basis of known and reasonable projected resources. There are no material uncertainties in respect of the charity's and group's ability to continue as a going concern.

For the last three years, Covid-19 has formed the backdrop to our work, impacting on what we do and how we do it. We remained open for patients and their families due to the preventative measures put in place that kept everyone safe. Teesside Hospice staff and volunteers have done an incredible job working within an environment of uncertainty and adapting their practice to the ever changing environment. The tenacity, dedication, creativity and compassion shown by all our teams over this time has been exemplary and the learning and skills attained will enable us to continue to deliver the high quality and safe care we are known for.

Teesside Hospice (Trading) Limited has traded for a full year with no lockdown restrictions and future assumptions are that operations will no longer be affected by the pandemic.

All areas within the organisation have been tasked with increasing cost-effectiveness and increasing self-generated revenue. The 2023/24 budget has been produced with line by line scrutiny. Measures are in place to ensure the financial position of the organisation is under constant review. The Trustees have prepared profit and loss forecasts and cash flow forecasts for the following 12 months and have reviewed the group's resources and have a reasonable expectation that the charity and group have adequate reserves to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

BASIS OF CONSOLIDATION

The financial statements consolidate the results of the charity and its wholly owned subsidiary undertaking, Teesside Hospice (Trading) Limited, on a line-by-line basis. All financial statements are made up to 31 March 2023, and consistent accounting policies are used.

A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

INCOME

Income is recognised in the statement of financial activities when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably. The following policies are applied to particular categories of income:

Donations and legacies are received by way of grants, donations, legacies and gifts and are recognised where there is entitlement, receipt is probable, and the amount can be measured with sufficient reliability.

Legacies are included when the charitable company is advised by the personal representatives of an estate, whereby probate has been granted, and that payment will be made, or property transferred provided that sufficient information has been received to enable valuation of the charity's entitlement and hence the amount involved can be quantified.

Gifts in kind, which include donated drugs and dressings, is included as income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. The amount included in note 2 is £57,345 (2022: £56,776) of which £41,853 was drugs and dressings purchased then recharged to the ICB and £15,492 was the value of donated drugs and dressings. No income is recognised where there is no financial cost borne by a third party.

Income from charitable activities also include fees and grants received for services within contracts for operational programmes, and the income is recognised in the period in which it is receivable

Income from investments is included in the year in which it is receivable.

Income generated by the charitable company's sole subsidiary, is included within other trading activities income, and is included in the period in which the income is receivable. The charity lets a non-investment property to the trading subsidiary in furtherance of the charity's objects. Rental/service charge income and expenditure is removed on consolidation. The group also operates a donor procurement and management recharge agreement in relation to Retail Gift Aid donors. The income and expenditure is removed on consolidation.

Government grant income is recognised in the statement of financial activities when the group has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Where a grant is receivable as compensation for costs already incurred or for immediate financial support, with no future related costs, the grant is recognised as income in the period in which it is receivable.

Gifts donated for resale are included as income when they are sold. The Trustees acknowledge that they are assets of the Charity as soon as received but due to the fact that a very large number of small value items are received, the time and cost of valuing donated goods at receipt would outweigh any benefit (of having them valued) to the users of the financial statements. 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 a sale.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

RESOURCES EXPENDED

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is included in the Statement of Financial Activities on an accruals basis inclusive of any VAT which cannot be fully recovered.

Costs of raising funds are those incurred in attracting voluntary income, and the costs of the trading subsidiary for fundraising purposes.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries, and includes both the direct costs and support costs relating to these activities and an apportionment of support and governance costs.

Certain expenditure is directly attributable to specific activities and have been included in these categories. Certain other support costs, which are attributable to more than one activity, are apportioned across costs categories using methods including floor space, activity and headcount.

OPERATING LEASE AGREEMENTS

The group as a lessee

The charity classifies the lease of properties as operating leases. Rental charges are charged to the statement of financial activities on a straight-line basis of the period of the lease.

The group as lessor

Rental income from assets leased under operating leases is recognised on a straight-line basis over the term of the lease.

FUNDS ACCOUNTING - The funds held by the charity are:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

Designated funds – these are funds that comprise general funds that have been set aside at the discretion of the trustees for specific purposes. The purpose and use of these designated funds is set out in the notes to the financial statements.

Restricted funds – these are funds that can only be used for funds within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

TANGIBLE FIXED ASSETS

Individual tangible fixed assets costing £5,000 or more are capitalised. Tangible fixed assets are initially measured at cost and subsequently measured at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

| | | |
|----------------------------------|---|--|
| Freehold buildings | - | Straight line over forty years |
| Freehold land | - | Nil |
| Leasehold improvements | - | Straight line over the term of the lease |
| Computer equipment | - | 33% straight line |
| Fixtures, fittings and equipment | - | 15%-25% straight line |
| Motor vehicles | - | 25% straight line |

INVESTMENTS

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in income and expenditure.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

Fixed asset investments held in the form of shares or securities are included at mid-market value at the balance sheet date. Realised gains and losses on investments are calculated as difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the SOFA in the year of disposal. Unrealised gains and losses represent the movement in the market values during the year and are credited to the statement or charged to the SOFA based on market value at the year end. Fixed asset investment property is measured at fair value whilst a reliable measure of fair value is available without undue cost or effort. Changes in fair value are recognised in the SOFA.

Short term investments are deposits held in fixed term bank accounts on which penalties would be incurred if funds were withdrawn before maturity.

STOCK

Stock is valued at the lower of cost and net realisable value. Items donated for resale are included in the financial statements when they are sold.

DEBTORS

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

CASH AT BANK AND IN HAND

Cash at bank and cash in hand includes cash held at bank and cash held in short term investments.

CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

FINANCIAL INSTRUMENTS

The charity has elected to apply the provisions of Section 11 “Basic Financial Instruments” and Section 12 “Other Financial Instruments Issues” of FRS 102, in full to all of its financial instruments. All of the charities financial assets and financial liabilities qualify as basis financial instruments. Basic Financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Financial assets: Trade and other debtors

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities: Trade and other creditors

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not resolved at the balance sheet date where transactions or events have occurred at that date will result in an obligation to pay more, or a right to pay less or to receive more tax with the following exceptions:

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be capitalised as an intangible fixed asset or a tangible fixed asset.

Employees are entitled to carry forward unused holiday entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employee's services are received.

Provision for termination benefits are recognised only when the company is demonstrably committed to terminate the employment of an employee, or a group of employees, before their normal retirement date or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

RETIREMENT BENEFITS

Multi-Employer Plan

The charitable company's clinical staff are eligible to contribute to the NHS pension scheme, an unfunded final salary scheme. Contributions are made by both the employer and the employee. The pension scheme is a multi-employer scheme. The charitable company is unable to identify its share of the underlying assets and liabilities of the scheme; the scheme is therefore accounted for as a defined contribution scheme in accordance with FRS102. Contributions are recognised as income and expenditure in the period to which they relate as there is insufficient information available to use defined benefit accounting.

Where applicable, a liability is recognised for contributions arising from an agreement with the multi-employer plan that determines how the charity will fund a deficit. Contributions are discounted when they are not expected to be settled wholly within 12 months of the period end.

Defined contribution plan

The charitable company also contributes to the personal pension scheme of certain other employees. The pensions costs charged in the financial statements represent the contribution payable by the charitable company during the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical areas of judgement

In categorising leases as finance leases or operating leases, management makes judgments as to whether significant risks and rewards of ownership have transferred to the charity as lessees, or the lessee, where the Charity is lessor.

Legacy recognition - legacies are recognised on a case by case basis after considering whether probate has been granted, and when the executor of the estate has communicated in writing both the amount and settlement date and hence there is sufficient information received to be able to value the charity's entitlement.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

2 DONATIONS AND LEGACIES

| | Unrestricted funds £ | Restricted funds £ | 2023 Total £ | 2022 Total £ |
|--------------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| General donations | 339,093 | 7,075 | 346,168 | 241,407 |
| Sponsored events | 268,383 | - | 268,383 | 216,019 |
| 'In Memory' donations | 142,965 | - | 142,965 | 104,708 |
| Edward Guy Foundation | - | - | - | 75,000 |
| Placements/teaching | 13,199 | - | 13,199 | 9,024 |
| Retail sales applicable for Gift Aid | 285,092 | - | 285,092 | 204,683 |
| Gift Aid on retail | 71,319 | - | 71,319 | 51,197 |
| Grants and trusts received | 61,250 | 71,477 | 132,727 | 114,340 |
| Legacies | 299,547 | - | 299,547 | 151,688 |
| Drugs from ICB | 57,345 | - | 57,345 | 56,776 |
| | <u>1,538,193</u> | <u>78,552</u> | <u>1,616,745</u> | <u>1,224,842</u> |
| 2022 total | <u>1,147,300</u> | <u>77,542</u> | <u>1,224,842</u> | |

Teesside Hospice has an established team of volunteers who offer their free time to the organisation. In accordance with FRS 102 and the Charities SORP (FRS 102) Section 6, the economic contribution of general volunteers is not recognised in the accounts in the absence of a reliable measurement basis. The current headcount approximately 310.

3 INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted funds £ | Restricted funds £ | 2023 Total £ | 2022 Total £ |
|---------------------|----------------------------|--------------------------|--------------------|--------------------|
| Tees Valley ICB | 711,308 | - | 711,308 | 668,496 |
| Lymphoedema clinic | 646,903 | 63,379 | 710,282 | 683,192 |
| Other ICB recharges | 75,823 | - | 75,823 | 71,575 |
| NHS England | - | 8,710 | 8,710 | 130,000 |
| | <u>1,434,034</u> | <u>72,089</u> | <u>1,506,123</u> | <u>1,553,263</u> |
| 2022 total | <u>1,362,255</u> | <u>191,008</u> | <u>1,553,263</u> | |

4 OTHER TRADING ACTIVITIES

| | Unrestricted funds £ | 2023 Total £ | 2022 Total £ |
|-------------------------------|----------------------------|--------------------|--------------------|
| Retail sales | 1,159,168 | 1,159,168 | 1,112,563 |
| Local authority grant funding | 3,800 | 3,800 | 43,737 |
| Fundraising | 142,793 | 142,793 | 161,943 |
| Lottery | 662,090 | 662,090 | 655,214 |
| Catering contributions | 38,887 | 38,887 | 3,007 |
| Recharged employment costs | 38,000 | 38,000 | - |
| | <u>2,044,738</u> | <u>2,044,738</u> | <u>1,976,464</u> |

The income from other trading activities in 2022 all related to unrestricted funds.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

5 TRADING SUBSIDIARY

The charity controls the company listed below by virtue of holding a controlling interest in the equity share capital:

| Name of subsidiary | Country of incorporation | % of equity share capital held |
|------------------------------------|--------------------------|--------------------------------|
| Teesside Hospice (Trading) Limited | England and Wales | 100 |

Teesside Hospice Group consists of two companies. The holding company is Teesside Hospice Care Foundation (Limited by Guarantee) and its 100% subsidiary is Teesside Hospice (Trading) Limited.

The subsidiary company, Teesside Hospice (Trading) Limited is incorporated in England & Wales and undertakes trading and fundraising activities. Company Number of Teesside Hospice (Trading) Limited is 02265205. Taxable profits from this company are donated to the Hospice by Gift Aid, a fact which is referred to in the trading company's publicity material. The activities of the subsidiary have been consolidated on a line by line basis in the SOFA.

Two members of the charity's Board of Trustees plus two members of the Senior Management Team sit on the board of the subsidiary.

The trading results of the subsidiary, as extracted from the audited financial statements, are summarised as follows:

| | 2023 £ | 2022 £ |
|---|----------------|----------------|
| Turnover | 1,821,258 | 1,767,777 |
| Total expenditure | (1,528,744) | (1,239,780) |
| Other income | 241,960 | 242,071 |
| Taxation (deferred tax credit - reversal of timing differences) | - | - |
| Profit after tax for the year | <u>534,474</u> | <u>770,068</u> |

The assets and liabilities of Teesside Hospice (Trading) Limited were:

| | 2023 £ | 2022 £ |
|-------------------------|------------------|------------------|
| Assets | 233,771 | 238,521 |
| Liabilities | <u>(176,544)</u> | <u>(177,719)</u> |
| Total net assets | <u>57,227</u> | <u>60,802</u> |

6 INVESTMENTS

| | Unrestricted funds £ | 2023 Total £ | 2022 Total £ |
|--------------------------------------|-------------------------|--------------------|--------------------|
| Income from UK investment properties | 6,300 | 6,300 | 6,300 |
| Income from UK listed investments | 85,058 | 85,058 | 52,250 |
| Bank interest receivable | 41,699 | 41,699 | 14,660 |
| | <u>133,057</u> | <u>133,057</u> | <u>73,480</u> |

The investments income in 2022 all related to unrestricted funds.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

7 OTHER INCOME

| | Unrestricted funds £ | 2023 Total £ | 2022 Total £ |
|---|-------------------------------------|-----------------------------|-----------------------------|
| Job retention scheme (CJRS) including SSP | - | - | 11,611 |
| Insurance compensation | - | - | 51,569 |
| Sundry income | 46 | 46 | 25 |
| | <u>46</u> | <u>46</u> | <u>63,205</u> |

The other income in 2022 all related to unrestricted funds.

The group benefitted from the above Government financial assistance support package during the previous year. This was in addition to the NHS funding which was administered by Hospice UK detailed in note 3 and the local authority grants detailed in note 4. In 22/23 the local authorities contributed to shop signage whilst in 21/22 they distributed funding for business who were forced to close during lockdowns and the CJRS was paid to cover the costs of furloughed staff and lost workforce due to sickness. There are no unfulfilled conditions or contingencies attached to the recognised grants.

8 RAISING FUNDS: COMMERCIAL TRADING ACTIVITY

| | Unrestricted Funds £ | Restricted funds £ | 2023 Total £ | 2022 Total £ |
|----------------------------|-------------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| Wages & salaries | 971,991 | 190 | 972,181 | 844,785 |
| Other costs | 989,526 | 3,114 | 992,640 | 731,695 |
| Depreciation | 9,569 | - | 9,569 | 8,890 |
| Investment management fees | 24,035 | - | 24,035 | 20,559 |
| | <u>1,995,121</u> | <u>3,304</u> | <u>1,998,425</u> | <u>1,605,929</u> |
| 2022 total | <u>1,595,136</u> | <u>10,793</u> | <u>1,605,929</u> | |

9 COSTS OF CHARITABLE ACTIVITIES – BY FUND TYPE

| | Unrestricted funds £ | Restricted funds £ | 2023 Total £ | 2022 Total £ |
|-------------------------|-------------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| I P U | 1,672,366 | 84,018 | 1,756,384 | 1,876,577 |
| Wellbeing & Lymphoedema | 1,207,178 | 84,802 | 1,291,980 | 904,244 |
| Bereavement Counselling | 187,889 | 7,948 | 195,837 | 182,778 |
| | <u>3,067,433</u> | <u>176,768</u> | <u>3,244,201</u> | <u>2,963,599</u> |
| 2022 total | <u>2,651,949</u> | <u>311,650</u> | <u>2,963,599</u> | |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

10 COSTS OF CHARITABLE ACTIVITIES – BY ACTIVITY

| | Direct costs £ | Support costs £ | 2023 Total £ | 2022 Total £ |
|-------------------------|----------------------|-----------------------|--------------------|--------------------|
| I P U | 1,184,876 | 571,508 | 1,756,384 | 1,876,577 |
| Wellbeing & Lymphoedema | 958,949 | 333,031 | 1,291,980 | 904,244 |
| Bereavement Counselling | 103,979 | 91,858 | 195,837 | 182,778 |
| | <u>2,247,804</u> | <u>996,397</u> | <u>3,244,201</u> | <u>2,963,599</u> |
| 2022 total | <u>2,094,680</u> | <u>868,919</u> | <u>2,963,599</u> | |

11 ANALYSIS OF DIRECT AND SUPPORT COSTS

| DIRECT COSTS | IPU £ | Wellbeing and Lymph- oedema £ | Bereavement Counselling £ | 2023 Total £ | 2022 Total £ |
|-----------------------|------------------|--|---------------------------------|--------------------|--------------------|
| Staff costs | 1,323,259 | 457,262 | 111,930 | 1,892,451 | 1,738,973 |
| Establishment | 13,187 | 5,973 | - | 19,160 | 30,832 |
| Consumables | 3,467 | 276,374 | - | 279,841 | 267,634 |
| Volunteer costs | 254 | - | 1,204 | 1,458 | 920 |
| Uniforms | 1,318 | 332 | - | 1,650 | 2,575 |
| Counselling resources | - | - | 2,736 | 2,736 | 3,070 |
| General expenses | 521 | 1,437 | - | 1,958 | 2,126 |
| Depreciation | 48,550 | - | - | 48,550 | 48,550 |
| | <u>1,390,556</u> | <u>741,378</u> | <u>115,870</u> | <u>2,247,804</u> | <u>2,094,680</u> |
| 2022 total | <u>1,301,684</u> | <u>682,098</u> | <u>110,898</u> | <u>2,094,680</u> | |
| SUPPORT COSTS | IPU £ | Wellbeing and Lymph- oedema £ | Bereavement Counselling £ | 2023 Total £ | 2022 Total £ |
| Staff costs | 290,819 | 220,953 | 53,460 | 565,232 | 472,488 |
| Establishment | 90,869 | 63,142 | 27,848 | 181,859 | 182,210 |
| Training & HR | 17,339 | 7,757 | 1,893 | 26,989 | 23,171 |
| Consumables | 82,003 | 1,674 | - | 83,677 | 83,041 |
| Cleaning supplies | 13,406 | 5,040 | 825 | 19,271 | 14,674 |
| Kitchen supplies | 35,882 | 12,682 | 691 | 49,255 | 24,583 |
| Volunteer costs | - | - | - | - | 2,406 |
| Uniforms | 376 | 168 | 41 | 585 | 524 |
| General expenses | 21,392 | 9,570 | 2,335 | 33,297 | 29,809 |
| Depreciation | 11,437 | 8,058 | 3,656 | 23,151 | 23,151 |
| Irrecoverable VAT | 267 | 534 | 267 | 1,068 | 1,600 |
| Governance costs | 7,718 | 3,453 | 842 | 12,013 | 11,262 |
| | <u>571,508</u> | <u>333,031</u> | <u>91,858</u> | <u>996,397</u> | <u>868,919</u> |
| 2022 total | <u>574,893</u> | <u>222,146</u> | <u>71,880</u> | <u>868,919</u> | |

Support costs have been allocated using varying methods as described in resources expended on page 20.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

12 GOVERNANCE COSTS

| | Unrestricted Funds £ | 2023 Total £ | 2022 Total £ |
|-----------------------------|----------------------------|--------------------|--------------------|
| Accountancy fees | 500 | 500 | 500 |
| Auditor remuneration | 11,500 | 11,500 | 10,049 |
| Legal and professional fees | 13 | 13 | 713 |
| | <u>12,013</u> | <u>12,013</u> | <u>11,262</u> |

The governance costs in 2022 all related to unrestricted funds.

13 NET INCOMING RESOURCES FOR THE YEAR

| | 2023 £ | 2022 £ |
|--|----------------|----------------|
| Net incoming resources for the year are stated after charging: | | |
| Auditor's remuneration | 11,500 | 10,049 |
| Non audit services | 500 | 500 |
| Depreciation of owned fixed assets | 81,270 | 80,591 |
| Operating lease rentals – land and buildings | 210,057 | 186,411 |
| | <u>210,057</u> | <u>186,411</u> |

14 ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND COST OF KEY MANAGEMENT PERSONNEL

| | Costs of raising funds £ | Charitable expenditure £ | 2023 Total £ | 2022 Total £ |
|--|--------------------------------|--------------------------------|--------------------|--------------------|
| Wages and salaries | 878,877 | 2,024,640 | 2,903,517 | 2,621,846 |
| Social security costs | 64,792 | 172,575 | 237,367 | 202,351 |
| Pension costs | 28,512 | 199,565 | 228,077 | 206,748 |
| Termination payments | - | - | - | 1,043 |
| Salaries paid via service level agreements | - | 60,903 | 60,903 | 24,258 |
| | <u>972,181</u> | <u>2,457,683</u> | <u>3,429,864</u> | <u>3,056,246</u> |

Throughout the last number of years it has been necessary to review the entire landscape of service delivery which resulted in the above termination payment.

Employees' emoluments

The number of employees who earned more than £60,000 excluding company pension contributions during the year was as follows:

| | 2023 Number | 2022 Number |
|---------------------|----------------|----------------|
| £60,000 to £70,000 | - | 1 |
| £90,000 to £100,000 | 1 | - |
| | <u>1</u> | <u>-</u> |

The number of higher paid employees accruing pension benefit was:

| | 2023 Number | 2022 Number |
|--|----------------|----------------|
| Defined contribution scheme – salary sacrifice arrangement | 1 | 1 |
| | <u>1</u> | <u>1</u> |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

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Pension contributions paid in the year in respect of the above staff were £4,556 (2022: £3,453).

Key management personnel

The key management personnel of the group comprise those of the charity and the key management personnel of its wholly owned subsidiary Teesside Hospice (Trading) Limited. The total employee benefits of the key management personnel of the group were £355,479 (2022: £310,335).

Trustees' remuneration

The Trustees received no remuneration during the year (2022: £nil) and no Trustee individually received payment for professional or other services supplied to the charity (2022: £nil).

The aggregate amount of expenses reimbursed to the Trustees for the year was £nil (2022: £20). The number of persons reimbursed was 0 (2022: 1).

15 STAFF NUMBERS

The average monthly numbers of employees during the year, was as follows:

| | 2023 Number (Headcount) | 2023 Number (FTE) | 2022 Number (Headcount) | 2022 Number (FTE) |
|-------------------|-------------------------------|-------------------------|-------------------------------|----------------------|
| Hospice services | | | | |
| IPU | 28 | 24 | 30 | 25 |
| Medical | 6 | 3 | 6 | 3 |
| Wellbeing | 7 | 5 | 5 | 3 |
| Administration | 18 | 14 | 14 | 12 |
| Kitchen | 5 | 3 | 5 | 3 |
| Cleaning | 6 | 4 | 7 | 4 |
| Bereavement | 3 | 2 | 3 | 2 |
| AHP | 4 | 2 | 3 | 2 |
| Establishment | 3 | 3 | 3 | 3 |
| Lymphoedema | 9 | 5 | 9 | 5 |
| | <u>89</u> | <u>65</u> | <u>85</u> | <u>62</u> |
| Income generation | <u>50</u> | <u>40</u> | <u>43</u> | <u>36</u> |
| | <u>139</u> | <u>105</u> | <u>128</u> | <u>98</u> |

On average 12 bank staff are used per month.

The Hospice is recharged by South Tees Hospitals NHS Foundation Trust for the salaries of employees as follows:

| | 2023 Number | 2022 Number |
|-----|----------------|----------------|
| AHP | <u>3</u> | <u>3</u> |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

16 TAXATION

The company is a registered charity and is exempt from tax on income and gains falling within sections 466 to 493 of the Corporation Tax Act 2010 or section 256 of the Taxable Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

The trading subsidiary is liable to corporation tax on their taxable profits. Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

17 FINANCIAL PERFORMANCE OF THE CHARITY

A separate Statement of Financial Activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006. The net incoming resources before gains and loss for the year for the charity was £61,658 (2022: £365,268).

18 TANGIBLE FIXED ASSETS – GROUP

| | Freehold buildings £ | Leasehold improvements £ | Freehold land £ | Fixtures, fittings and equipment £ | Motor vehicles £ | Total £ |
|------------------------|----------------------------|--------------------------------|--------------------|---|------------------------|------------------|
| Cost | | | | | | |
| At 1 April 2022 | 2,358,751 | 32,102 | 556,439 | 317,508 | 35,368 | 3,300,168 |
| Additions | - | - | - | 5,091 | - | 5,091 |
| Disposals | - | - | - | - | - | - |
| At 31 March 2023 | <u>2,358,751</u> | <u>32,102</u> | <u>556,439</u> | <u>322,599</u> | <u>35,368</u> | <u>3,305,259</u> |
| Depreciation | | | | | | |
| At 1 April 2022 | 1,420,575 | 32,102 | - | 261,167 | 35,368 | 1,749,212 |
| Charge for the year | 58,100 | - | - | 23,170 | - | 81,270 |
| Disposals | - | - | - | - | - | - |
| At 31 March 2023 | <u>1,478,675</u> | <u>32,102</u> | <u>-</u> | <u>284,337</u> | <u>35,368</u> | <u>1,830,482</u> |
| Net book values | | | | | | |
| At 31 March 2023 | <u>880,076</u> | <u>-</u> | <u>556,439</u> | <u>38,262</u> | <u>-</u> | <u>1,474,777</u> |
| At 31 March 2022 | <u>938,176</u> | <u>-</u> | <u>556,439</u> | <u>56,341</u> | <u>-</u> | <u>1,550,956</u> |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

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19 TANGIBLE FIXED ASSETS – CHARITY

| | Freehold buildings £ | Freehold land £ | Fixtures, fittings and equipment £ | Motor vehicles £ | Total £ |
|-----------------------------|----------------------------|-----------------------|---|------------------------|------------------|
| Cost | | | | | |
| At 1 April 2022 | 2,358,751 | 556,439 | 220,773 | 35,368 | 3,171,331 |
| Additions | - | - | - | - | - |
| Transferred from subsidiary | - | - | - | - | - |
| At 31 March 2023 | <u>2,358,751</u> | <u>556,439</u> | <u>220,773</u> | <u>35,368</u> | <u>3,171,331</u> |
| Depreciation | | | | | |
| At 1 April 2022 | 1,420,575 | - | 184,734 | 35,368 | 1,640,677 |
| Charge for the year | 58,100 | - | 13,601 | - | 71,701 |
| Transferred from subsidiary | - | - | - | - | - |
| At 31 March 2023 | <u>1,478,675</u> | <u>-</u> | <u>198,335</u> | <u>35,368</u> | <u>1,712,378</u> |
| Net book values | | | | | |
| At 31 March 2023 | <u>880,076</u> | <u>556,439</u> | <u>22,438</u> | <u>-</u> | <u>1,458,953</u> |
| At 31 March 2022 | <u>938,176</u> | <u>556,439</u> | <u>36,039</u> | <u>-</u> | <u>1,530,654</u> |

20 FIXED ASSET INVESTMENT – GROUP AND CHARITY

| | Listed investments £ | Investment property £ | Cash held as part of the investment portfolio £ | Total £ |
|---|----------------------------|-----------------------------|---|------------------|
| Valuation | | | | |
| At 1 April 2022 | 3,668,783 | 120,000 | 117,358 | 3,906,141 |
| Additions | 718,621 | - | 726,381 | 1,445,002 |
| Disposals | (326,381) | - | (745,815) | (1,072,196) |
| Unrealised gain on revaluation of investments | (192,390) | - | - | (192,390) |
| At 31 March 2023 | <u>3,868,633</u> | <u>120,000</u> | <u>97,924</u> | <u>4,086,557</u> |
| Historical cost as at 31 March 2023 | <u>3,421,019</u> | <u>92,500</u> | <u>97,924</u> | <u>3,611,443</u> |

In addition to the above, the charitable company holds a £2 investment in the share capital of Teesside Hospice (Trading) Limited.

All fixed asset investments are held within the United Kingdom.

The investment property was professionally revalued as at 31 March 2023 by Browns Estate Agency Limited, Chartered Surveyors, on an open market basis. Browns Estate Agency Limited are not connected with the group. The property has three restrictions attached which are in existence during the donor's lifetime: 1. it will not be occupied by more than two adults; 2. There will be no pets and 3. It will not be sold without the donor's consent.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

| | | | | | |
|-----------|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| 21 | STOCKS | Group 2023 £ | Group 2022 £ | Charity 2023 £ | Charity 2022 £ |
| | Stocks | 56,384 | 31,474 | 15,637 | - |
| 22 | DEBTORS | Group 2023 £ | Group 2022 £ | Charity 2023 £ | Charity 2022 £ |
| | Trade debtors | 4,803 | 59,673 | 4,803 | 59,673 |
| | Amounts due from subsidiary undertaking | - | - | 49,977 | 15,154 |
| | Other debtors | 31,685 | 20,115 | 22,300 | 18,230 |
| | VAT receivable | 20,541 | 23,467 | 26,139 | 24,783 |
| | Prepayments and accrued income | 270,258 | 813,224 | 250,688 | 791,561 |
| | | <u>327,287</u> | <u>916,479</u> | <u>353,907</u> | <u>909,401</u> |
| 23 | SHORT TERM INVESTMENTS | Group 2023 £ | Group 2022 £ | Charity 2023 £ | Charity 2022 £ |
| | Cash equivalents on deposit | 2,331,819 | 1,986,299 | 2,331,819 | 1,986,299 |
| 24 | CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | Group 2023 £ | Group 2022 £ | Charity 2023 £ | Charity 2022 £ |
| | Trade creditors | 66,108 | 125,972 | 63,669 | 95,354 |
| | Other tax and social security | 53,157 | 50,344 | 53,157 | 50,344 |
| | Other creditors | 35,916 | 35,570 | 29,965 | 29,195 |
| | Accruals and deferred income | 155,733 | 148,174 | 49,582 | 31,073 |
| | | <u>310,914</u> | <u>360,060</u> | <u>196,373</u> | <u>205,966</u> |
| | Deferred income | Group 2023 £ | Group 2022 £ | Charity 2023 £ | Charity 2022 £ |
| | Deferred income brought forward | 94,008 | 197,962 | 300 | 85,200 |
| | Resources deferred in the year | 92,996 | 93,808 | 13,830 | 100 |
| | Amounts released from previous year | (94,008) | (197,762) | (300) | (85,000) |
| | Deferred income carried forward | <u>92,996</u> | <u>94,008</u> | <u>13,830</u> | <u>300</u> |

Deferred income in the charity at 31 March 2021 included £75,000 received from The Edward Guy Foundation. £425,000 was donated to Teesside Hospice in March 2018 to continue to support the hospice for a further four years. The final £75,000 was recognised in the year to 31 March 2022. Deferred income in the group includes £79,166 in respect of lottery membership payments paid in advance for future draws/donations.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

25 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | Group 2023 £ | Group 2022 £ | Charity 2023 £ | Charity 2022 £ |
|-------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Lease liabilities | <u>6,428</u> | <u>7,155</u> | <u>-</u> | <u>-</u> |

26 FINANCIAL INSTRUMENTS

| | Group 2023 £ | Group 2022 £ | Charity 2023 £ | Charity 2022 £ |
|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| FINANCIAL ASSETS | | | | |
| Debt instruments measured at amortised cost: | | | | |
| Trade debtors | 4,803 | 59,673 | 4,803 | 59,673 |
| Other debtors | 22,300 | 18,230 | 22,300 | 18,230 |
| Accrued income | <u>194,279</u> | <u>728,285</u> | <u>194,279</u> | <u>728,285</u> |
| TOTAL | <u>221,382</u> | <u>806,188</u> | <u>221,382</u> | <u>806,188</u> |

FINANCIAL LIABILITIES

| | | | | |
|---|----------------|----------------|----------------|----------------|
| Measured at amortised cost: | | | | |
| Trade creditors | 66,108 | 125,972 | 63,669 | 95,354 |
| Other creditors | 35,916 | 35,570 | 29,965 | 29,195 |
| Accruals | 62,737 | 54,166 | 35,752 | 30,773 |
| Rent liabilities due after more than one year | <u>6,428</u> | <u>7,155</u> | <u>-</u> | <u>-</u> |
| TOTAL | <u>171,189</u> | <u>222,863</u> | <u>129,386</u> | <u>155,322</u> |

27 ANALYSIS OF NET ASSETS BETWEEN FUNDS – GROUP

| | Unrestricted funds £ | Restricted funds £ | Total funds 2023 £ | Total funds 2022 £ |
|--|-------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Fund balances at 31 March 2023 represented by: | | | | |
| Tangible fixed assets | 969,062 | 505,715 | 1,474,777 | 1,550,956 |
| Investment assets | 4,086,557 | - | 4,086,557 | 3,906,141 |
| Current assets | 3,897,865 | 38,631 | 3,936,496 | 4,224,913 |
| Current liabilities and provisions | <u>(317,342)</u> | <u>-</u> | <u>(317,342)</u> | <u>(367,215)</u> |
| | <u>8,636,142</u> | <u>544,346</u> | <u>9,180,488</u> | <u>9,314,795</u> |
| 2022 total | <u>8,740,511</u> | <u>574,284</u> | <u>9,314,795</u> | |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

ANALYSIS OF NET ASSETS BETWEEN FUNDS – CHARITY

| | Unrestricted funds £ | Restricted funds £ | Total funds 2023 £ | Total funds 2022 £ |
|--|----------------------------|--------------------------|--------------------------|--------------------------|
| Fund balances at 31 March 2023 represented by: | | | | |
| Tangible fixed assets | 953,238 | 505,715 | 1,458,953 | 1,530,654 |
| Investment assets | 4,086,559 | - | 4,086,559 | 3,906,143 |
| Current assets | 3,735,493 | 38,631 | 3,774,124 | 4,023,164 |
| Current liabilities and provisions | (196,373) | - | (196,373) | (205,966) |
| | <u>8,578,917</u> | <u>544,346</u> | <u>9,123,263</u> | <u>9,253,995</u> |
| 2022 total | <u>8,679,711</u> | <u>574,284</u> | <u>9,253,995</u> | |

28 RETIREMENT BENEFITS

The trading company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The contributions payable by the company charged to income and expenditure amounted to £18,728 (2022: £16,570).

The group also operates the same defined contribution pension scheme for employees of the charity and in addition, participates in a multi-employer pension plan, being the NHS Pension Scheme. The assets of the scheme are held separately from those of the charity in independently administered funds. Furthermore, the group participates in the Pensions Trust Growth Plan, Series 4, a defined contribution pension scheme.

Total pension contributions payable by the group charged to income and expenditure amounted to £228,077 (2022: £206,748). Pension costs have been allocated based on the member of staff to whom the cost relates and the department they work in. Total contributions for all three pension schemes totalling £29,965 (2022: £29,025) were payable to the fund at the year end and are included in creditors.

NHS Pension Scheme

The NHS Pension Scheme is an unfunded, multi-employer defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable participating bodies to identify their share of the underlying Scheme assets and liabilities. Therefore, the Scheme is accounted for as if it were a defined contribution scheme: the cost to the charity of participating in the Scheme is taken as equal to the contributions payable to the Scheme for the accounting period.

At the balance sheet date there were 24 active members of the Scheme employed by the charity.

The Scheme is subject to a full actuarial valuation every four years, and an FRS102 accounting valuation every year. In March 2019 a consultation response was published which increased the employer contribution rate to 20.68% (including an administration levy) from 1 April 2019. Direction Body employers will continue to pay at the rate of 14.38% with the balance being funded by government.

The valuation of scheme liability in accordance with FRS102 is carried out annually by the Scheme Actuary. The latest assessment of the liabilities of the Scheme is contained in the Scheme Actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Resource Accounts, published annually. These accounts can be viewed on the NHS Pensions website.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

29 UNRESTRICTED FUNDS – GROUP

| | At 1 April 2021 £ | Incoming resources £ | Outgoing resources £ | Gains, losses & transfers £ | At 31 March 2022 £ |
|-------------------------------|-------------------------|----------------------------|----------------------------|-----------------------------------|-----------------------------|
| 2021/22 | | | | | |
| General reserves | | | | | |
| Charity | 7,157,815 | 2,612,856 | (3,007,305) | 1,016,345 | 7,779,711 |
| Non- charitable trading funds | 104,342 | 2,009,848 | (1,239,780) | (813,610) | 60,800 |
| Total General reserves | 7,262,157 | 4,622,704 | (4,247,085) | 202,735 | 7,840,511 |
| Designated property fund | 500,000 | - | - | - | 500,000 |
| Designated deficits fund | 400,000 | - | - | - | 400,000 |
| | <u>8,162,157</u> | <u>4,622,704</u> | <u>(4,247,085)</u> | <u>202,735</u> | <u>8,740,511</u> |

| | At 1 April 2022 £ | Incoming resources £ | Outgoing resources £ | Gains, losses & transfers £ | At 31 March 2023 £ |
|-------------------------------|-------------------------|----------------------------|----------------------------|-----------------------------------|-----------------------------|
| 2022/23 | | | | | |
| General reserves | | | | | |
| Charity | 7,779,711 | 3,086,850 | (3,533,810) | 196,166 | 7,528,917 |
| Non- charitable trading funds | 60,800 | 2,063,218 | (1,528,744) | (538,049) | 57,225 |
| Total General reserves | 7,840,511 | 5,150,068 | (5,062,554) | (341,883) | 7,586,142 |
| Designated property fund | 500,000 | - | - | - | 500,000 |
| Designated deficits fund | 400,000 | - | - | - | 400,000 |
| Designated digital fund | - | - | - | 150,000 | 150,000 |
| | <u>8,740,511</u> | <u>5,150,068</u> | <u>(5,062,554)</u> | <u>(191,883)</u> | <u>8,636,142</u> |

UNRESTRICTED FUNDS – CHARITY ONLY

| | At 1 April 2021 £ | Incoming resources £ | Outgoing resources £ | Gains, losses & transfers £ | At 31 March 2022 £ |
|--------------------------|-------------------------|----------------------------|----------------------------|-----------------------------------|-----------------------------|
| 2021/22 | | | | | |
| General reserves | | | | | |
| General reserves | 7,157,815 | 3,445,066 | (3,025,905) | 202,735 | 7,779,711 |
| Designated property fund | 500,000 | - | - | - | 500,000 |
| Designated deficits fund | 400,000 | - | - | - | 400,000 |
| | <u>8,057,815</u> | <u>3,445,066</u> | <u>(3,025,905)</u> | <u>202,735</u> | <u>8,679,711</u> |

| | At 1 April 2022 £ | Incoming resources £ | Outgoing resources £ | Gains, losses & transfers £ | At 31 March 2023 £ |
|--------------------------|-------------------------|----------------------------|----------------------------|-----------------------------------|-----------------------------|
| 2022/23 | | | | | |
| General reserves | | | | | |
| General reserves | 7,779,711 | 3,644,099 | (3,553,010) | (341,883) | 7,528,917 |
| Designated property fund | 500,000 | - | - | - | 500,000 |
| Designated deficits fund | 400,000 | - | - | - | 400,000 |
| Designated digital fund | - | - | - | 150,000 | 150,000 |
| | <u>8,679,711</u> | <u>3,644,099</u> | <u>(3,553,010)</u> | <u>(191,883)</u> | <u>8,578,917</u> |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

| Name of unrestricted fund | Description, nature and purposes of the fund |
|----------------------------------|---|
| General reserves | The general reserves represent the free funds of the charity which are not designated for any particular purpose. |
| Designated funds | <p>In March 2021 Trustees agreed to designate £500,000 for the purchase of commercial property, further details of which are given in the reserves policy. At that time Trustees also agreed that, despite the challenges faced in the year to 31 March 2021, the year had seen very positive financial results due to one-off government assistance. This non-recurrent income was required to support the hospice for a longer period of time than the 2020/21 financial year. Therefore, £400,000 was designated to be used against the 2021/22 budgeted deficit which was carried forward to 2022/23. The results for that year surpassed budget and consequently the fund remained available to transfer to utilise against the 2023/24 predicted deficit.</p> <p>The digital development of the organisation is a priority. A technology budget plan has been produced by the Senior Management Team with the assistance of the IT service provider. In order to invest in improving our knowledge, capability and confidence a designated fund of £150,000 has been established.</p> |

30 RESTRICTED FUNDS – GROUP AND CHARITY

| | At 1 April 2021 £ | Incoming resources £ | Outgoing resources £ | Gains, losses & transfers £ | At 31 March 2022 £ |
|-------------------------------|----------------------------|----------------------------|----------------------------|--------------------------------------|-----------------------------|
| 2021/22 | | | | | |
| Building Fund | 551,037 | - | (31,408) | - | 519,629 |
| Local ICBs (formerly CCGs) | - | 61,008 | (61,008) | - | - |
| Individual Supporters | - | 2,870 | (1,874) | - | 996 |
| Grants & Trusts | 5,604 | 26,773 | (24,704) | (367) | 7,306 |
| Edward Guy Foundation | 17,000 | - | (6,606) | - | 10,394 |
| Patient Comfort Appeal | 40,819 | - | (11,662) | - | 29,157 |
| Middlesbrough Council | 14,084 | 27,863 | (41,947) | - | - |
| Masonic Charitable Foundation | - | 13,234 | (13,234) | - | - |
| Screwfix Foundation | - | 6,802 | - | - | 6,802 |
| NHS England | - | 130,000 | (130,000) | - | - |
| | <u>628,544</u> | <u>268,550</u> | <u>(322,443)</u> | <u>(367)</u> | <u>574,284</u> |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

| 2022/23 | At 1 April 2022 £ | Incoming resources £ | Outgoing resources £ | Gains, losses & transfers £ | At 31 March 2023 £ |
|--|----------------------------|----------------------------|----------------------------|--------------------------------------|-----------------------------|
| Building Fund | 519,629 | - | (31,408) | - | 488,221 |
| Local ICBs (formerly CCGs) | - | 63,379 | (63,379) | - | - |
| Individual Supporters | 996 | 7,075 | (5,858) | - | 2,213 |
| Grants & Trusts | 7,306 | 35,106 | (33,666) | (57) | 8,689 |
| Edward Guy Foundation | 10,394 | - | (5,205) | (450) | 4,739 |
| Patient Comfort Appeal | 29,157 | - | (11,662) | - | 17,495 |
| Masonic Charitable Foundation | - | 12,646 | (12,646) | - | - |
| Screwfix Foundation | 6,802 | - | - | - | 6,802 |
| St James's Place Charitable Foundation | - | 5,725 | (5,725) | - | - |
| Woodsmith Foundation | - | 18,000 | (1,813) | - | 16,187 |
| NHS England | - | 8,710 | (8,710) | - | - |
| | <u>574,284</u> | <u>150,641</u> | <u>(180,072)</u> | <u>(507)</u> | <u>544,346</u> |

| Name of restricted fund | Description, nature and purposes of the fund |
|--|---|
| Building fund | The building fund represents the net book value of the inpatient unit and annexed buildings. The fund is reduced by the depreciation charge on these fixed assets. |
| Local ICBs | From April 2018 the local ICB has funded the Lymphoedema Clinic Lead's salary, employer's national insurance costs and pension costs. |
| Individual Supporters | During the year, individual supporters made donations specifically for the benefit of core clinical services. These monies were spent on wellbeing crafts, lymphoedema equipment, bereavement resources and IPU purchases. Three of these have been part spent with balances to be used in 2023/24. |
| Grants & Trusts | Various grant providers supported the Hospice again this year. These grants supported maintaining equipment, purchasing uniforms, developing electronic prescribing etc. Nine grants have a combined balance of £8,689 to be expended in 2023/24. |
| Edward Guy Foundation | Edward Guy Foundation kindly contributed £17,000 in 18/19. £5,205 was spent in the year on landscaping with £450 being used to make a leaf dedication on our memory tree. A balance of £4,739 remains. |
| Patient Comfort Appeal | In March 2019 Teesside Hospice launched the Patient Comfort Appeal with the target of raising £49,000 for 10 new specialist beds for the Inpatient Unit. The appeal was very successful. The fund is reduced by the depreciation charge on these fixed assets. |
| Masonic Charitable Foundation | An improving equality and diversity in hospice care project. £12,646 largely relates to salaries of specific posts with the aim of broadening access to Teesside Hospice for everyone. The project continued to its predetermined end of 30 September 2022. |
| Screwfix Foundation | £6,802 was donated to install a car park barrier. Planning processes have now cleared with the local authority ready for installation to take place in 2023/24. |
| St James's Place Charitable Foundation | A Satellite clinic was set up to hold weekly sessions in Brotton commencing February 2023. Funding of £5,725 has been claimed to hold these sessions which continue for a year. |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

| | |
|----------------------|---|
| Woodsmith Foundation | Similarly to the St James's Place outreach clinic, £18,000 was paid in advance by Woodsmith Foundation to hold satellite clinics in Redcar for the benefit of over 65s. The clinics commenced in March with a spend of £1,813 and will continue for a year with further funding to be received. |
| NHS England | The NHSE awarded funding to allow the hospice to make capacity available to the NHS from December 2021 to March 2022. The £8,710 was the amount received which exceeded the estimated debtor in the 2022 accounts. |

31 COMMITMENTS UNDER OPERATING LEASE COMMITMENTS

Group and charity

The group as a lessee:

The total future minimum lease payments under non-cancellable operating leases is set out below:

| | 2023 | 2022 |
|--------------------------------|---------------------------|--------------------|
| | Land and buildings | Land and buildings |
| | £ | £ |
| Operating leases which expire: | | |
| Within 1 year | 217,100 | 198,950 |
| Between 1 and 5 years | 626,228 | 661,401 |
| Greater than 5 years | 34,333 | 90,167 |
| | <u>877,661</u> | <u>950,518</u> |

The operating leases represent leases of premises. The leases are of varying terms.

Lease costs of £210,057 have been recognised as an expense in the year for the group and £229,257 for the trading subsidiary. The subsidiary leases part of 408/410 Linthorpe Road from the charity which is removed from the group accounts.

The charity as a lessor:

The total future minimum lease payments under non-cancellable leases is set out below:

| | 2023 | 2022 |
|--------------------------------|---------------------------|--------------------|
| | Land and buildings | Land and buildings |
| | £ | £ |
| Operating leases which expire: | | |
| Within 1 year | 19,200 | 19,200 |
| Between 1 and 5 years | 38,400 | 57,600 |
| | <u>57,600</u> | <u>76,800</u> |

The operating lease represents the lease of premises from Teesside Hospice Care Foundation to its wholly owned subsidiary Teesside Hospice (Trading) Limited.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

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

| | 2023 | 2022 |
|---|----------------|----------------|
| | £ | £ |
| Net incoming movement in funds | (134,307) | 524,094 |
| Gain on revaluation of investments | 192,390 | (202,368) |
| Income from investments | (91,358) | (58,820) |
| Interest receivable | (41,699) | (14,660) |
| Depreciation | 81,270 | 80,591 |
| Increase in stocks | (24,910) | (6,829) |
| Decrease/(Increase) in debtors | 589,192 | (131,733) |
| Decrease in creditors | (49,873) | (63,996) |
| | <u>520,705</u> | <u>126,279</u> |
| Net cash (outflow)/inflow from operating activities | | |

33 LEGAL STATUS OF THE CHARITY

Teesside Hospice Care Foundation is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

34 RELATED PARTY TRANSACTIONS

The Clinkard Group Limited

The group benefits from the kind support of The Clinkard Group Limited. Teesside Hospice Care Foundation and Teesside Hospice (Trading) Limited and The Clinkard Group Limited share a common Trustee/Director, T Payne. In the year ended 31 March 2023 £2,500 (2022: £2,500) was donated to assist fundraising activity.

HR Alchemy

Teesside Hospice Care Foundation welcomed new Trustee J Davies to the Board during the year. J Davies business HR Alchemy kindly donated £2,410 to corporate fundraising in the year ended 31 March 2023.

Hospice UK

David Smith, Chief Executive is a Trustee on the Board of Hospice UK. We pay annual membership fees of £858 (2022: £1,285) to Hospice UK. Hospice UK also administered NHS England funding in 2021/22 of which £8,710 is recognised in the current year (2022: £130,000).

ACEVO

David Smith, Chief Executive is a Trustee on the Board of ACEVO (Association of Chief Executives of Voluntary Organisations). We paid £2,078 (2022: £479) to ACEVO during the year. ACEVO paid Teesside Hospice £645 (2022: £83).

St Teresa's Hospice

During the period 1 April 2022 to 31 March 2023, employment costs totalling £38,438 were recharged to St Teresa's (Darlington Hospice) in respect of Chief Executive David Smith. This arrangement ceased with effect from 31 March 2023.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

Teesside Hospice (Trading) Limited

During the year, the charity engaged in the following transactions with the wholly owned trading subsidiary. At 31 March 2023 the unsecured amount owed to Teesside Hospice Care Foundation was £49,977.

| | Lottery Future Credits | Intercompany Account | Total |
|--------------------------------|------------------------|----------------------|-------------|
| As at 1 April 2022 | (78,750) | 93,904 | 15,154 |
| 410 Linthorpe Road office | - | 65,911 | 65,911 |
| Payroll | - | 702,192 | 702,192 |
| Gift Aid covenant | - | 538,049 | 538,049 |
| Gift Aided retail sales | - | 285,092 | 285,092 |
| Donor management charges | - | (285,737) | (285,737) |
| Amounts paid to incorrect bank | - | 4,696 | 4,696 |
| Paid | - | (1,275,380) | (1,275,380) |
| Transfer | 13,426 | (13,426) | - |
| As at 31 March 2023 | (65,324) | 115,301 | 49,977 |

Teesside Hospice (Trading) Limited operates the weekly lottery in which members pay in advance for future draws. The balance of £65,324 would be repayable at 31 March 2023 should the lottery cease. The funds have been remitted to Teesside Hospice Care Foundation in previous years. The above balance therefore represents the charity's liability to lottery members at the year end.

TEESSIDE HOSPICE CARE FOUNDATION

England & Wales - Charity number 512875

Accounts

Teesside Hospice Care Foundation
(A Company limited by guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 MARCH 2022

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2022

Statement from the Chief Executive

As we move tentatively into a new world of 'living with Covid' Teesside Hospice like all healthcare providers is having to adapt in order to ensure its essential services remain safe, caring, responsive, effective and well-led. Across all of these domains, the last two years has challenged our assumptions and at times tested our resilience.

Throughout this turbulent time the hospice team – from the board of Trustees, through to the clinical, office and support teams have kept safe access and quality experience at the top of their agenda. With frequently changing guidance, our teams have been successful in not only maintaining the delivery of all hospice services but also make sure they maintain the person centred, welcoming and compassionate environment that those in our care need and deserve.

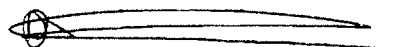
This second year of the Covid-19 pandemic has seen us gain confidence in our digital capability, introduce new connections out into the community and reposition some of our services to have the greatest impact for those in the highest need. Covid-19 has heightened existing healthcare inequalities and this is something we have sought to confront head on in collaboration with our partners to help us learn what more we can do to reduce barriers to access and ensure our specialist-level palliative and end of life care services are available and accessible to all members of our community.

This spirit of collaboration and shared learning has taken other areas of our work forward this year. From our work with the Hospice North East & North Cumbria Collaborative through to representing hospice care on the NHS Yorkshire and North East Strategic Clinical Network and regular involvement with Hospice UK Project Clinical Echo network we have continued to look outwards to share our own best practice and find others who might inspire us to improve further.

Closer to home, this has been the first full year following a governance review in 2019 which has allowed us to fully test our monitoring and assurance systems. We are pleased to find these working well with timely and accurate data available at appropriate levels in our organisation. Alongside the overwhelmingly positive outcome data from those we care for and strong satisfaction ratings from our staff family and friends survey, we are able to take a good level of assurance that both our regulatory compliance and charitable impact is delivering the benefits we all expect.

Despite all of this success, we are acutely aware the difficulties many in our workforce have faced. The relentless pressure of work during the pandemic alongside immense global problems we see in the news every day affects us all and as a charitable hospice, we have sought to help where possible through our staff wellbeing programme, open communications, flexibility and emotional support. The national problems of hospice funding as yet remain unsolved but we are closely involved at local, regional and national levels positively influencing policy making in order to protect this service our community tell us is so important to themselves and their loved ones.

This coming year remains an uncertain one for all of us. The next stages of Covid, NHS recovery programmes, inflation, fundraising pressures, increasing costs. We are fortunate to be going into this, our 40th year, in a strong position with a clear purpose and an ambition to help even more people get the quality care that makes such an important difference to the lives of those we are here for.



David Smith
Chief Executive

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2022

Directors and Trustees

The directors of the charitable company (the charity) are its Trustees for the purpose of charity law. The Trustees and officers serving during the year and since the year end were as follows:

Trustees:

| | |
|--------------------------|-----------------------|
| E. Criddle - Chairperson | |
| M. C. Ellington | |
| M.P.R. Firman | |
| M. D. Flannery | |
| R.M. Jewell | (resigned 25/11/2021) |
| C. Langrick | |
| T. Payne | |
| J. Sheridan | |
| G. Whitehead | |

Key management personnel: All Trustees as listed above and the Senior Management Team:

| |
|--|
| Chief Executive – D. Smith |
| Director of Nursing & Quality – D. Edwards |
| Director of Income Generation – D. Coulson |
| Finance Director – A. Wardle |
| Workforce Development Manager – A. Doyle |
| Head of Retail – C. McMahon |

Company registration number: 01642201

Registered Charity number: 512875

Registered office: 1 Northgate Road
Linthorpe
Middlesbrough
TS5 5NW

Bankers: Royal Bank of Scotland
31 Grey Street
Newcastle Upon Tyne
NE1 6ES

Solicitors: Jacksons Law
17 Falcon Court
Preston Farm Industrial Estate
Stockton on Tees
TS18 3TU

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2022

Auditor: Waltons Business Advisers Limited
Maritime House
Harbour Walk
Hartlepool
TS24 0UX

Investment advisors: Rathbone Investment Management
Earl Grey House
75-85 Grey Street
Newcastle
NE1 6EF

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2022

The Trustees are pleased to present their annual report together with the financial statements of the charity and group for the year ended 31 March 2022. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the organisation's Memorandum and Articles of Association and 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 (FRS 102) (effective 1 January 2019).

Objectives and activities

The principal objective of Teesside Hospice Care Foundation (THCF) during the year was that of providing hospice services for the public benefit. The hospice exists to enhance the quality of life for those suffering from life-limiting illness, and offers specialist palliative care and support to patients and carers, in the belief that each person is entitled to dignity and choice within the best provision of care.

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charities Commission. The Trustees have considered this guidance in shaping the charitable company's objectives for the year and planning current and future activities. Further details of the activities which provide public benefit are given below.

The hospice benefits the public by providing all of its services free of charge. The main catchment areas are Middlesbrough and Redcar & Cleveland. If it is appropriate, the Hospice accepts referrals from anywhere in the UK without prejudice. The clinical services at Teesside Hospice are provided for individuals with a life-limiting illness and this care is available regardless of their diagnosis. Although the majority of patients have advanced cancer, non-cancer diagnoses are also treated. Bereavement counselling services (adult and children) are accessible to any individual suffering from bereavement.

Teesside Hospice helps many members of the public each year and relies on other sources of income such as grants, donations and trading activities to cover its operating costs.

Strategic aim and objectives

The charity's strategic aim is to provide holistic palliative care at any point during a life-limiting illness. The majority of the charity's work focuses upon pain and symptom control and end of life care. All of the charitable activities are undertaken to further our charitable purposes for the public benefit and fully reflect the purposes that the charitable company was set up to further.

Teesside Hospice is greatly supported by the local community and relies on voluntary help. The Hospice has an established team of volunteers who offer their time to all areas of the hospice. The volunteers work side by side with paid staff and are a valued resource to the organisation, enabling lower staff costs than would otherwise be the case. The active volunteer workforce has maintained during the year and the count which we aim to increase is approximately 300.

Our strategic objectives are:

- To develop a wider needs led service that reaches more people who can benefit from our care through the development of strategic partnerships.
- Educate clinical colleagues and the general public about our services and about specialist palliative care.
- Improve care for local people with any type of life limiting illness.
- To develop our staff and volunteers and their skills to continue to serve the people of Teesside.

TEESSIDE HOSPICE CARE FOUNDATION

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Activities for achieving objectives

The charity's range of specialist palliative care services include:

- Ten beds for Inpatient Care offering specialist palliative care and management of symptom control and end of life care
- Wellbeing Services
- Adult Bereavement Counselling Services
- Children's and Young Adults' 'Forget-Me-Not' Bereavement Counselling Service
- Outpatient clinics
- Tees wide Lymphoedema clinics
- Working in partnership with specialist nurses.

Structure, governance and management

Governing document

Teesside Hospice Care Foundation is a charitable company limited by guarantee (incorporated 9 June 1982 No. 01642201) and as such is governed by its Memorandum and Articles of Association, last amended by special resolution dated 27 August 2020. It is registered as a charity with the Charity Commission (No. 512875). Members of the charitable company are the Trustees who have guaranteed liabilities of the company up to a maximum of £1 each.

Governing body

The charitable company has a Board of Trustees in accordance with its Articles of Association, who are required to serve as members of the charitable company. The Board is made up of the Trustees who are elected by the members at a Board meeting. Each Trustee is required to meet specifications concerning eligibility, personal competence, specialist skills and local availability.

Teesside Hospice (Trading) Limited is 100% owned by the Charity. The Trustees have no interest in the shares of the subsidiary company, other than as directors of the parent company.

Trustee recruitment, induction and training

Trustees are recruited through word of mouth or through advertising in the local press and on our own website.

Whilst new Trustees are often familiar with the work of the hospice, they are inducted into the working environment of the hospice. New Trustees receive a detailed induction, an explanation and discussion session is also held with both the Chairman and Chief Executive, where new Trustees are briefed on their legal obligations under both Company law and Charity Law. Trustees are also encouraged to spend time with Senior Managers from across the organisation and this has been found to be highly beneficial.

A Trustee workshop took place in February 2022 with the purpose of reviewing governance but to also aid learning and engagement and to look at areas for development. Covid-19 disrupted the ability to hold such workshops but in 2022/23 Trustees will continue with these and aim towards adopting the Charity Governance Code.

All Trustees give their time voluntarily and receive no benefits from the charitable company. Any expenses reclaimed from the charitable company are set out in note 14 to the financial statements.

No members of the Board of Trustees have served a term longer than the recommended period of nine years and Board composition has been heavily reviewed in the last two years to ensure an appropriate skill mix is present.

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Organisational structure

The Board currently consists of 8 Trustees who meet at least four times per year to determine both the general and strategic direction and policy of the charity, and to review its overall management and control for which they are legally responsible. Other sub-committees (finance & facilities, fundraising, workforce development, quality & performance) meet as appropriate to discuss relevant issues. All sub-committees report back to the Trustees and have Trustee representation. In addition, the Senior Management Team meet twice monthly. Each sub-committee has a mandate from the Board to receive, consider and agree policies on behalf of the Board with the exception of those policies deemed by the committee to be contentious or of particular significance to the organisational culture. In these cases, the chair of the committee will then have the responsibility of presenting the policy for discussion at the next Board Meeting or convening a special meeting of Board members if deemed necessary.

A Chief Executive is appointed by the Trustees to manage the day to day operations of the charity and responsibility for the provision of the services rests with the Chief Executive. A scheme of delegation is in place, ensuring that the charity delivers the services specified and the Chief Executive is aided in his duties by departmental managers.

Pay policy for key management personnel

The Trustees consider that key management comprise the charity's Trustees and the Senior Management Team who are in charge of directing and controlling, running and operating the charity on a day to day basis. All Trustees give of their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in notes 14 and 34 to the accounts.

In 2021/22 the Trustees commissioned a pay review project to review the current pay structure. As part of the review, we considered how to overcome the problems presented by the annual National Living Wage increase which has gradually eroded the movement between salaries at the lower end of the scale. We also looked at how we can improve the career path for staff with a clearer progression framework. This is an ongoing project, as well as reviewing the whole reward package including sickness, holiday and pension schemes. An enduring theme each year will be how to work within the deficit budget we have. The new pay structure was implemented from 1 April 2022.

Staff

Teesside Hospice is committed to nil discrimination and encourages diversity. Our aim is to be truly representative of all sections of society and for each member of staff to feel respected and able to give their best. This policy extends beyond staff and volunteers to all service users, stakeholders and supporters.

The 'friends and family' questionnaire which was introduced in July 2017 continues to be repeated. This survey was completed by staff and volunteers in July 2021. The results were as follows:

How likely are you to recommend Teesside Hospice to friends and family if they need care or treatment?

| July 2021 | Staff | | Volunteer | |
|----------------|-------------|-----------------|-------------|-----------------|
| | % recommend | % not recommend | % recommend | % not recommend |
| 97 respondents | 100 | 0 | 83 | 6 |

Overall it was felt that it was a lack of knowledge which prevented the participant recommending the care rather than a personal negative experience.

How likely are you to recommend Teesside Hospice to friends and family as a place to work?

| July 2021 | Staff | | Volunteer | |
|----------------|-------------|-----------------|-------------|-----------------|
| | % recommend | % not recommend | % recommend | % not recommend |
| 97 respondents | 97 | 2 | 89 | 6 |

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Our fundraising practice

Teesside Hospice established a Fundraising Committee in 2019/20 to ensure that appropriate scrutiny and oversight has been applied to fundraising activity, performance and delivery. In addition to monitoring the development and implementation of fundraising activity, the Committee is responsible for monitoring financial performance. Development opportunities and future growth is debated, planned and actioned. The Committee meets quarterly whilst the SMT member of staff with day to day operational responsibility for fundraising activity (including lottery activity) is the Director of Income Generation. A fundraising strategy has been developed with the objective of maximising profitability whilst adapting to the current climate, maintaining visibility to the public and conducting income generation in an ethically sound manner. Teesside Hospice is registered with the Fundraising Regulator and is a member of the Hospice Lotteries Association. There have been no failures to comply with regulation nor have there been any complaints received. Risks associated with fundraising activity are continuously examined by inclusion in the operational risk register. In April 2022 we will commence using an external company to recruit new lottery members and it will be ensured that their work is conducted in accordance with the agreed contract, reflecting the values and behaviours expected by Teesside Hospice. All staff and third parties receive training on protecting vulnerable individuals - if it is felt that a person is not capable of making an informed decision about supporting Teesside Hospice, e.g. because of mental health problems, learning disabilities or substance misuse relating to alcohol or drugs, attempts must not be made to sell any fundraising related product. Teesside Hospice operates an over 18s policy in respect of lottery membership and education is provided to staff on ways to spot a problem gambler.

Related parties

The charity's wholly owned subsidiary, Teesside Hospice (Trading) Limited is established to provide a trading arm to the charity. The principal activities of the subsidiary are that of lottery organiser and charity shopkeeper. The subsidiary gift aids all of its taxable profits to the charity.

Strategic Report

Achievements and performance

The charitable company's policies in the pursuit of its objectives are kept under regular review. The Board of Trustees considers the activities of the company during the year to be satisfactory. The funds and resources are used entirely for its main objective. The movements in funds are described in the consolidated statement of financial activities on page 15.

The Quality and Performance Committee

The Quality and Performance Committee is designated by the Board of Trustees to oversee the development and implementation of the professional framework for nursing, medicine, allied health and social care disciplines at Teesside Hospice. Issues relating to national, regional and local policies are debated, ratified and actioned by the committee in line with the agreed terms of reference. Membership of the committee is made up of multi professional staff that all contribute to the success of the committee.

Sub groups are formed as required and report to the Quality and Performance Committee.

A new Director of Nursing & Quality appointed in August 2020 has brought a fresh focus and renewed energy in driving forward quality improvement within the hospice with a continued drive to improve patient outcomes, work through boundaries to look at new ways to deliver services and to empower our clinical leads.

Teesside Hospice always strives to deliver excellent, much needed services to the local people and its success depends on the delivery of safe, responsive and effective care and how valued we are by the people that need us. We monitor the care we provide, seek assurances that we provide high standards of care and outline aspirations that support our delivery of the strategic aims.

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Patient feedback is important to us so that we can continuously review our services and improve on what is available. An annual patient survey is undertaken and feedback is managed by the Clinical Audit & Quality Improvement Group. The outcome of the survey is shared widely within the organisation at the Quality and Performance Committee, Board of Trustees and summaries of the survey are shared in each department to inform patients, their families and other visitors to the organisation of the outcome of the survey. Furthermore, we have a suggestion box for visitor and patients to provide us with live feedback that this is reviewed each day and take action at the earliest opportunity.

The Care Quality Commission

Teesside Hospice is required to register with the Care Quality Commission (CQC) and its current registration status is for the following activities:

- Treatment of disease, disorder or injury

Teesside Hospice is registered with the following conditions:

- Services are provided for people over 18 years old
- The maximum of 10 patients may be accommodated overnight
- Notification in writing must be provided to the CQC at least one month prior to providing treatment or services not detailed in the Statement of Purpose.

The last unannounced routine inspection of Teesside Hospice took place on 16th March 2016. Our feedback was very positive and we received an overall rating of GOOD for our service. No areas were rated as inadequate. On 8th February 2021, relevant members of the SMT had a Transitional Monitoring Approach (TMA) call with the CQC. Positive feedback was given and this did not result in any follow up action such as an immediate visit. As we emerge from the pandemic, the CQC are further developing their monitoring approach and in accordance with this approach, they carried out a review of the data about Teesside Hospice in February 2022. They did not find any evidence that they need to carry out an on-site inspection or re-assess our rating.

Inpatient Unit: There were 130 patients who received inpatient care (142 episodes of care) with a variety of complex needs. The average length of stay for patients is 17 days. 29% of patients were discharged to their homes or a care home. 69% of patients received end of life care and 2% were discharged to the hospital/other services.

Wellbeing Centre: Due to the ongoing pandemic, the Wellbeing Centre which had changed to virtual working continued to provide remote support in the form of telephone/video/Zoom sessions. As restrictions were reduced, in May 2021 the service opened up to provide face to face sessions, initially for a limited number but increasing as restrictions have further eased. There were 1,217 patient contacts remotely in individual and group format. There have been 1,152 face to face contacts in individual and group format. The average length of attendance was 30 weeks.

Lymphoedema Service: The lymphoedema clinic received 507 referrals over the course of 2021/2022. There were 3,840 patient interactions including clinic/home visit appointments, education via Zoom, advice calls and IPU and Wellbeing patients seen. There were 1,260 patients on the lymphoedema clinic caseload in 2021/22.

Bereavement Counselling Service: From April 2021 to March 2022 there were 1,463 bereavement counselling appointments attended (1,263 adults and 200 children). These appointments were either Face to Face counselling or Zoom counselling and were received from GPs, other agencies and also self-referrals. The average length of service use was 10 weeks.

Volunteers

Teesside Hospice has an established team of volunteers who offer their time to each department across both the Trading Company and the Charity. The current headcount is in the region of 300 volunteers working side by side with paid staff to support them to fulfil their duties (volunteer support was sadly affected in various ways from 23/03/20). Volunteers are a valued resource to the organisation and we recognise their commitment and value. The Board of Trustees and Trading Company Directors, who have uppermost authority for controlling the activities of Teesside Hospice are volunteers.

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Financial review

The Financial Statements are prepared in accordance with Financial Reporting Standard 102 (FRS 102) and the Charities SORP (2019).

THCF has had a transitional year, and has ultimately generated a surplus of £524,094 with a number of influencing factors. Of this surplus, £202,368 relates to an increase in the value of the investment portfolio (including property) and £321,726 is the excess of income over expenditure. Without legacy income this surplus would have been £170,038. We commenced the year with a deficit budget of £510,469 (excluding unrealised gain/loss on investment). However, the positive re-opening of our retail stores called for a revised budget which reduced the deficit to £329,513. The surplus for the year exceeds expectations. The principal variances arose from: an NHS support package totalling £130,000; additional CCG funding in respect of additional support services provided; other one-off income (£11,611 Coronavirus Job Retention Scheme plus £43,737 Local Authority shop closure grants and insurance compensation of £51,569); and income generation outperforming expectations in addition to considerable savings made in respect of salaries.

Donations and legacies have decreased by £730,006 (37%). Legacy income is one of the largest contributors to this income heading and is very unpredictable. Legacy income totalled £151,688 which was a decrease of £710,885 on the prior year. Donations have reduced in the year having received a fantastic response to our urgent appeal in 2020/21. Grants and Trusts have reduced by £64,535 (36%) partly due to partnerships with Macmillan and Dementia UK ending. Charitable activities income has decreased in total by £408,502 primarily due to the NHS support package. Other income totals £63,205 compared with £408,361 in the previous year and this comprises the CJRS and insurance income described above.

Expenditure on charitable activities has decreased by £43,958 which demonstrates the commitment to the control of expenditure plus support from the local Trust in respect of waived SLA recharges.

Cash at bank and short term investments totals £3.3 million at 31 March 2022. Liquidity and reserves are in constant focus and we endeavour to strike a balance between cash at bank and in investments.

The principal assets of the Hospice are buildings dedicated to the provision of Specialist Palliative Care Services which include the Inpatient Unit, the Wellbeing Centre and the Adult and Children's Bereavement Counselling Service. In February 2019 the Charity completed the purchase of land adjacent to the current Hospice buildings. The land was originally purchased as a strategic asset, to expand the Hospice's footprint providing forthcoming opportunity whilst protecting the site from alternative development. Our plans for this land link with the review the NHS are now conducting with regards to the sustainability and commissioning for palliative and end of life care. The land currently adds value to the overall grounds of the hospice land and buildings.

The Charity relies on the support of the local CCGs, the support of the community and its own commercial activities to continue operating. The Trustees continue to ensure the success of the Charity through close monitoring and control of clinical and support operations and close working with local partners to ensure their continued support. A key element in the management of financial risk is a regular review of funds on deposit, investments, legacy income due, debtors, creditors and working capital.

The net increase in unrestricted funds was £578,354 (2021: increase £1,701,320). Unrestricted funds are the operational reserves of the charity. The Trustees are undertaking a longer term review of financial planning including reliance on legacy income and thanks are expressed to all staff and volunteers of the hospice who have made tremendous efforts to keep running costs to a minimum whilst maintaining a high standard of care to patients and their families and a safe working environment for all staff and volunteers.

Commercial Activities

It has been another year of navigating an ever-changing environment which had a dramatic impact on our resources and ability to carry out activity in the way we had planned.

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Once again through strategic leadership and a dynamic and committed workforce, internal income generation has achieved a profit of £1,469,037 which is 35% up on budget.

This has been achieved by managing risk and continuing to develop our income generation streams whilst focusing on sustaining the loyalty and generosity of our current donors through supporter care plans and the increase of touchpoints.

Highlights include:

- Successful reintroduction of Community & Events fundraising including income from Midnight Walk £30,267, Ball £27,089 & Stokesley Open Gardens £20,435.
- Maintained growth in key Christmas activity income of Rudolf Run £78,226 and Christmas Trees £33,879
- Re introduction of corporate fundraising
- Maintaining playing lottery membership consistently over 10,000 with a 98% collection efficiency and an increase in donations of £53k due to the introduction of a £5 model
- The retail department generated a net profit of £444,341 exceeding budget by £178,583
- Eleven of the thirteen shop locations exceeded their net profit budget
- Retail Gift Aid conversion rate increased to 17%
- Development of the bought in goods range generated a profit of £30,642

Charitable Activities

Funding is provided by South Tees Clinical Commissioning Group and other Clinical Commissioning Groups. In recent years, the main grant received from South Tees CCG has seen little growth. In 2021/22, the contract value was uplifted by 0.2%. The number of patient interactions in the Lymphoedema service has varied due to the restrictions of Covid-19. The Hospice continues to work closely with the CCG in respect of this service.

It is recognised that legacies are a critical element of the charitable company's funding and the timing and amount of this income is uncertain. In the thirteen years to date, the annual legacy income averages approximately £435k (excluding an exceptional legacy of £695,000 in 2014/15 which significantly increased income in that year). The Board of Trustees recognises the need to continue to develop a legacy strategy whilst also developing income from other sources.

Key Performance Indicators are as follows:

| | 2021/22 | 2020/21 |
|---|-------------------------------|-----------------------------|
| Change in Tees Valley CCG contract value | 0.20% | 1.3% |
| Increase in other CCG contract values | 2.25% | To block contract |
| Social media followers at year end – all platforms | 23,754 | 22,658 |
| Increase in total funds | £524,094 | £1,670,631 |
| Individual gifts in year (excludes retail sales and lottery membership) | 9,306 | 8,500 |
| Donors giving gifts in year | 4,076 | 4,200 |
| Number of legators included in income for the year | 18 | 20 |
| Number of active retail gift aid donors in year | 3,467 | 1,901 |
| Would you recommend the service - patient satisfaction survey IPU | Definitely 96% Possibly 4% | Definitely 100% Never 0% |

Risk management

Keeping patients, families, staff and visitors safe, as well as protecting the organisation, is a fundamental principle at Teesside Hospice and as such risk management is a high priority within the organisation.

The Board of Trustees has conducted a review of the major strategic, business and operational risks to which the hospice is exposed and has produced a corporate risk register. The Senior Management Team review and update the operational risk register on (at least) a quarterly basis.

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Dashboards are also produced for each department and presented at committee meetings. If there are areas of concern, or risks are identified, they are discussed at the Risk, Health and Safety Sub-Committee (RHSC) meetings and action is taken to mitigate risks. The RHSC ensures policies, procedures, systems, controls and awareness programmes are in place to minimise risks. We also engage the services of an external consultancy company to add an additional layer of scrutiny.

The diverse nature of the group's activities mean THCF is exposed to numerous risks on a daily basis. Corporate risks include: damage to reputation, fraud, compliance issues, loss of funding and IT security. Each department has had input into the operational risk register which provides further control over day to day risks faced.

Teesside Hospice sets expectations that all employees and volunteers will comply with all laws and regulations governing our company's behavior. When this is not the case, information is reported up internally within the organisation to Senior Management and also shared with the Trustees, the external auditors and regulatory bodies as appropriate. Teesside Hospice takes compliance issues very seriously, investigating each one, and revisiting our operational controls. A full list of laws and regulations is maintained. Non-compliance is a major threat to the organisation which could result in patient services being closed or income generation being stopped.

The global spread of Covid-19 significantly affected organisations. The impact has demanded that risk constantly be reviewed and the risk register updated and presented to the Board of Trustees via the relevant Committees. Risks include visitor restrictions, PPE availability, staffing levels and more in addition to the financial consequences. We are now beginning to emerge from the pandemic and risks will be re-assessed accordingly.

Reserves

In considering our policy on reserves, the approach taken has been to split the reserves required into constituent parts. Firstly, to look at future forecasts in order to ascertain a working capital reserve. This encompassed looking at future budgets with a range of best to worst case scenario planning. Next it was necessary to look at income risk i.e. the figure needed to manage and survive any unprecedented or unpredicted loss of revenue and not to be used to permanently fund budget deficits but to be used to manage in emergency circumstances. Finally, it was necessary to consider expenditure risk. Our risk register captures everything that would require us to draw on reserves, each risk has an estimated cost and cumulatively give rise to a need to draw on reserves should the risks become a reality.

Our acceptable balance of free reserves is reviewed annually by the Finance & Facilities Committee and moving into 2022/23 the risk based approach above has defined an acceptable level of £2,850,000.

The hospice group currently has free reserves of £3,049,557 (2021: £3,239,685). In calculating free reserves, the Trustees have excluded from total funds the restricted funds (£574,284), unrestricted tangible assets (£1,002,171), the fixed assets investment property (£120,000), the investment portfolio (£3,668,783) and designated funds (£900,000).

The above items must be excluded from total funds as it is essential to determine funds which are not subject to donor imposed conditions (restricted) and hence are freely available for general (unrestricted) purposes. Free reserves are the resources the charity has or can make available to spend, after allowing for fixed assets and future spending plans. For full details of the designated funds and restricted funds and see notes 29 and 30.

Trustees have agreed the serious consideration of purchasing freehold property. Presently, all of our retail stores are leased. The only exception to this is the premise at 410 Linthorpe Road which is owned by the charity. The lower floor is used for retail and the upper floor for office space. The addition of freehold property into our portfolio would bring a long-term asset for the business whereas rent is investing in another person's asset. A designated fund of £500k has been carried forward for the purchase of commercial property. It may be that this designation is increased in the future, but the value of this designation would be sufficient for the coming financial year.

In the longer term, a new business venture could be a viable option for investing reserves in order to strengthen income generation allowing us to continue to develop charitable operations. Due to the longer term nature of this plan, Trustees are giving this option attention on an annual basis. Until there is further clarity around the NHS funding review, and whilst the economy is volatile, Trustees are satisfied that there are no immediate plans.

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Deficit budgets are forecasted and we accept that reserves will be needed whilst we work through the current economic situation and the reviews being conducted by the NHS. We continue to look for cost improvements and new revenue initiatives. The aim is to hold sufficient free reserves to cover deficits in the future. Despite the challenges of the Covid-19 pandemic, the 2021/22 year has seen very positive financial results. Consequently, Trustees carried forward the designation of £400k to allow for the reduction in free reserves budgeted for 2022/23.

Investment powers and policy

Under the Memorandum and Articles of Association, the charity has the power to invest moneys not immediately required for its purposes, as thought fit, subject to good practice conditions. The Board of Trustees selects a group of Trustees to form the Finance & Facilities Committee, which in turn is responsible for overseeing the selection of professional investment advisors to aid the charity in identifying suitable investment for its funds.

£700k has been invested into the investment portfolio in the financial year. At the year end, the unrealised gain on investment holdings for the 2021/22 year amounted to £192,368 (2020/2021: gain £397,843) and the investment property was revalued with a gain of £10,000.

Plans for future periods

Teesside Hospice is committed to the delivery of high quality care. That is care which is safe, effective and provides patients and carers with a positive experience. The priorities for quality improvement we have identified for 2022/23 are set out below. We have selected one that will impact directly on each of the three headings; patient safety, clinical effectiveness and patient experience.

- Improvement 1 – Patient Safety (Extended Clinical Skills for Health Care Assistants)

Healthcare Assistants (HCAs) play a vital role in providing excellent care to patients in all settings at the hospice. As valued members of the clinical team it is essential they feel supported and confident to undertake their role to the best of their ability, to provide excellent care to patients and their families. Ongoing training, development and supervision are key to retain a highly motivated workforce that adds value to care delivery of the hospice. Extending the skills of HCA's increases the skills capability of the existing workforce thus improving patient safety.

The first area of skills extension will be supporting the registered nurses in the administration of controlled drugs (CD's) by acting as a 'second checker'. The role of the 'second checker' for administration of CD's is important for patient safety. A second checker can be another registered practitioner (nurse or doctor) or HCA who has completed a level 2 qualification in the Safe Handling of Medication and assessed as competent by the mentor and Nurse Practitioner.

All our HCA's have committed to completing the Safe Handling of Medication course online and 2 workbooks which will provide the foundations for them to understand the principles surrounding medicines management including CD's. In practice they will be guided by our RN team who will supervise and coach them enabling competencies to be achieved and the building of confidence as a second checker for CD medications.

- Improvement 2 – Clinical Effectiveness (Volunteers)

Volunteers have been, and continue to be at the heart of Teesside Hospice. There are varying roles to support all aspects of hospice life by supporting fundraising, income generation and the hospice itself in administration, catering and care services. Volunteers bring additional human kindness into busy hospice life by providing practical, personal and emotional support to patients and staff. In frontline services, volunteers complement and offer support with care activities that frontline staff may not always have time for, which in turn provides staff with more time to provide effective clinical care.

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Pre-pandemic both the hospice and the income generation teams had many volunteers, then as the country went in to 'lockdown' the hospice had to cease all volunteer activity. During the pandemic, the hospice used this time to reflect and review all aspects of working practice including the volunteer programme. The review included how we use volunteers, and look at what they can do to support the teams to continue to deliver high quality patient care.

The outcome of the review set out a wider range of volunteer roles to join the pre-existing roles who support administration and reception, mealtime helpers, coffee shop volunteers etc. Some roles are no longer required due to reviews of services. The new roles include the piloting of different, more specific roles that are patient facing. Other roles are being explored to include nursing, complementary therapy and community volunteers. Increasing the number and range of volunteers will enrich the patients and carers experience in the hospice and support the teams to deliver effective care and services to patients and their families.

- **Improvement 3 – Patient Experience (Approaches to Spirituality)**

Being diagnosed with a life limiting condition not only has an impact on the individual's physical, social and psychological wellbeing but also their spiritual wellbeing. A progressive disease may confront patients and their relatives with spiritual concerns that include loss of meaning or purpose in life, a sense of hopelessness, isolation and fear of dying. The hospice has a tradition of providing pastoral and spiritual care as an integral part of holistic care. Historically this has been through an onsite chaplaincy service but going forward supported by local faith community and volunteer interfaith chaplain.

During the pandemic it was identified that wider access to spiritual services was needed more than ever not only to patients but staff also. Therefore, a review of approaches to spirituality at the hospice needs to be undertaken with the outcomes being a different mode of delivery for patients and staff.

To ensure truly holistic and person centred care, the hospice must ensure that any spiritual needs of individuals are addressed. Spirituality can be defined in many ways, and is incorporated into many belief systems including established faiths and individual philosophies. Every individual's spiritual needs and wishes are different, they may be affiliated to a faith belief system or may ascribe to an interpretation of a faith or belief system particular to their own culture and lifestyle.

To support patients, carers, and their families it is recognised that all staff have an important role to play in addressing the spiritual needs of patients, carers, and families. Meeting the spiritual needs of patients, carers and their families falls to clinical staff, but not wholly. True holistic, person centred care is based on relationships, compassion and mutuality. To ensure this is the case the hospice recognises that we have a responsibility to ensure the spiritual needs of staff and volunteers are also met.

Other plans for the future

We await the outcome of the NHS End of Life Care funding review. In order to strengthen our hospice, we entered a collaboration with St Teresa's Hospice with a shared Chief Executive from 1 April 2022. We are fully committed to the provision of safe, caring, responsive, effective and well-led services at Teesside Hospice. The hospice has a well-established clinical and corporate governance structure, with Trustees playing an active part in ensuring that Teesside Hospice fulfils its mission, according to its charitable objectives and in ensuring that the organisation remains responsible and compliant in all areas of regulation, health and safety, employment law and other relevant legislation.

Going concern

Forecasts have been prepared covering 12 months from the date of signing these financial statements. Trustees are satisfied that there are no material uncertainties in respect of going concern. Further detail is given on page 18.

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Auditors

On 25 November 2021 the Board of Trustees appointed new auditors, Waltons Business Advisers Limited.

Statement of Trustees' responsibilities

The charity Trustees (who are also the directors of Teesside Hospice Care Foundation for the purpose of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group for that period.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure of information to auditors

In so far as the Trustees are aware

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the Trustees have all taken steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report was approved by the Trustees on01/09/2022..... and signed on its behalf by



E Criddle
Trustee

**INDEPENDENT AUDITORS' REPORT TO THE INDEPENDENT MEMBERS OF
TEESSIDE HOSPICE CARE FOUNDATION
FOR THE YEAR ENDING 31 MARCH 2022**

Unqualified Opinion

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

In our opinion the financial statements:

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

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 and parent charitable company 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.

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.

**INDEPENDENT AUDITORS' REPORT TO THE INDEPENDENT MEMBERS OF
TEESSIDE HOSPICE CARE FOUNDATION
FOR THE YEAR ENDING 31 MARCH 2022**

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE INDEPENDENT MEMBERS OF
TEESSIDE HOSPICE CARE FOUNDATION
FOR THE YEAR ENDING 31 MARCH 2022**

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

- to test the timing and existence of revenue,
- to review journals posted to key control accounts or posted around the year end, to look for potential "window dressing" as well as looking at a sample throughout the year.

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.

Use of our report

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

Waltons Business Advisers Limited

Chartered Accountants
Statutory Auditor
Maritime House
Harbour Walk
The Marina
Hartlepool
TS24 0UX

Date: 7 September 2022

TEESSIDE HOSPICE CARE FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 March 2022

| | Note | 2022 Unrestricted funds £ | 2022 Restricted funds £ | 2022 Total £ | As restated 2021 Total £ |
|---|-------|------------------------------------|----------------------------------|--------------------|-----------------------------------|
| Income: | | | | | |
| Donations and legacies | 2 | 1,147,300 | 77,542 | 1,224,842 | 1,954,848 |
| Charitable activities | 3 | 1,362,255 | 191,008 | 1,553,263 | 1,961,765 |
| Other trading activities | 4 | 1,976,464 | - | 1,976,464 | 1,277,344 |
| Investments | 6 | 73,480 | - | 73,480 | 75,111 |
| Other income | 7 | 63,205 | - | 63,205 | 408,361 |
| Total income | | <u>4,622,704</u> | <u>268,550</u> | <u>4,891,254</u> | <u>5,677,429</u> |
| Expenditure: | | | | | |
| Raising funds: other trading activities | 8 | 1,595,136 | 10,793 | 1,605,929 | 1,397,084 |
| Charitable activities | 9 | 2,651,949 | 311,650 | 2,963,599 | 3,007,557 |
| Total expenditure | | <u>4,247,085</u> | <u>322,443</u> | <u>4,569,528</u> | <u>4,404,641</u> |
| Net income/(expenditure) before other gains/losses | | <u>375,619</u> | <u>(53,893)</u> | <u>321,726</u> | <u>1,272,788</u> |
| Net gain/(loss) on investments | | 202,368 | - | 202,368 | 397,843 |
| Net income/(expenditure) | | <u>577,987</u> | <u>(53,893)</u> | <u>524,094</u> | <u>1,670,631</u> |
| Gross transfers between funds | | 367 | (367) | - | - |
| Net movement in funds for the year | | <u>578,354</u> | <u>(54,260)</u> | <u>524,094</u> | <u>1,670,631</u> |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | <u>8,162,157</u> | <u>628,544</u> | <u>8,790,701</u> | <u>7,120,070</u> |
| Total funds carried forward | 29/30 | <u>8,740,511</u> | <u>574,284</u> | <u>9,314,795</u> | <u>8,790,701</u> |

The statement of financial activities includes all gains and losses recognised in the year.

All of the above amounts relate to continuing activities.

TEESSIDE HOSPICE CARE FOUNDATION

Company number 01642201

Registered Charity Number 512875

CONSOLIDATED AND CHARITY BALANCE SHEETS AT 31 MARCH 2022

| | Note | Group 2022 £ | Group 2021 £ | Charity 2022 £ | Charity 2021 £ |
|--|-------|--------------------|--------------------|----------------------|----------------------|
| Fixed assets | | | | | |
| Tangible assets | 18/19 | 1,550,956 | 1,631,547 | 1,530,654 | 1,602,355 |
| Investments | 20 | 3,906,141 | 3,027,529 | 3,906,143 | 3,027,531 |
| | | <u>5,457,097</u> | <u>4,659,076</u> | <u>5,436,797</u> | <u>4,629,886</u> |
| Current assets | | | | | |
| Stocks | 21 | 31,474 | 24,645 | - | 1,046 |
| Debtors | 22 | 916,479 | 784,746 | 909,401 | 726,332 |
| Short term investments | 23 | 1,986,299 | 1,824,622 | 1,986,299 | 1,824,622 |
| Cash at bank and in hand | | 1,290,661 | 1,928,823 | 1,127,464 | 1,831,397 |
| | | <u>4,224,913</u> | <u>4,562,836</u> | <u>4,023,164</u> | <u>4,383,397</u> |
| Creditors: amounts falling due within one year | 24 | <u>(360,060)</u> | <u>(421,274)</u> | <u>(205,966)</u> | <u>(326,924)</u> |
| Net current assets | | 3,864,853 | 4,141,562 | 3,817,198 | 4,056,473 |
| Total assets less current liabilities | | 9,321,950 | 8,800,638 | 9,253,995 | 8,686,359 |
| Creditors: amounts falling due after more than one year | 25 | <u>(7,155)</u> | <u>(9,937)</u> | <u>-</u> | <u>-</u> |
| Net assets | | <u>9,314,795</u> | <u>8,790,701</u> | <u>9,253,995</u> | <u>8,686,359</u> |
| The funds of the charity | | | | | |
| Unrestricted funds | 29 | 8,740,511 | 8,162,157 | 8,679,711 | 8,057,815 |
| Restricted funds | 30 | 574,284 | 628,544 | 574,284 | 628,544 |
| Total charity funds | 27 | <u>9,314,795</u> | <u>8,790,701</u> | <u>9,253,995</u> | <u>8,686,359</u> |

A separate Statement of Financial Activities for the Charity as an individual entity is not presented because the Charity has taken advantage of the exemption offered by Section 408 of the Charities Act 2006. The net incoming resources before gains and losses for the year for the Charity was £365,268 (2021: £1,302,816).

The financial statements were approved by the Board of Directors and authorised for issue on 01/09/2022 and signed on their behalf by:



E Criddle
Trustee



M Firman
Trustee

The accompanying accounting policies and notes form an integral part of these financial statements.

TEESSIDE HOSPICE CARE FOUNDATION**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended 31 March 2022

| | Note | 2022 £ | 2021 £ |
|---|------|------------------|------------------|
| Net cash flows from operating activities | 32 | 126,279 | 1,209,117 |
| Cash flows from investing activities | | | |
| Income from UK listed investments | | 52,520 | 45,187 |
| Income from other investment assets | | 6,300 | 6,300 |
| Interest received | | 14,660 | 23,624 |
| Purchase of property, plant and equipment | | - | (7,695) |
| Proceeds from sale of investments | | 387,921 | 554,873 |
| Purchase of financial investments | | (991,556) | (1,142,895) |
| | | <u>(530,155)</u> | <u>(520,606)</u> |
| (Increase)/Decrease in cash held in investment portfolio | | <u>(72,609)</u> | <u>26,736</u> |
| Net cash (used in) investing activities | | <u>(602,764)</u> | <u>(493,870)</u> |
| (Decrease)/Increase in cash and cash equivalents in the year | | (476,485) | 715,247 |
| Cash and cash equivalents at the beginning of the year | | <u>3,753,445</u> | <u>3,038,198</u> |
| Total cash and cash equivalents at the end of the year | | <u>3,276,960</u> | <u>3,753,445</u> |
| Relating to: | | | |
| Cash at bank and in hand | | 1,290,661 | 1,928,823 |
| Short term investments | | <u>1,986,299</u> | <u>1,824,622</u> |
| Total cash and cash equivalents at the end of the year | | <u>3,276,960</u> | <u>3,753,445</u> |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

1 ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

BASIS OF ACCOUNTING

Teesside Hospice Care Foundation is a charitable company, limited by guarantee, registered in England. The address of the charity's registered office and principal place of business is 1 Northgate Road, Linthorpe, Middlesbrough, TS5 5NW.

Teesside Hospice Care Foundation meets the definition of a public benefit entity under FRS 102. The charity exists for the benefit of the public through the provision of hospice services to members of the public suffering from life-limiting illnesses.

These financial statements have been prepared in accordance with "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) – (Charities SORP (FRS 102)), and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost of transaction value except for investments which are included at market value, and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' effective 1 January 2019 (Charities SORP (FRS 102)) and the Companies Act 2006.

REDUCED DISCLOSURE OPTIONS

In accordance with FRS102, the Charity has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 Statement of Cash Flows – presentation of a statement of cash flow and related notes and disclosures in relation to the Charity's own statement of cash flows. A consolidated statement of cash flows is presented in these financial statements.

GOING CONCERN

FRS 102 requires that, if appropriate, the charity's and group's financial statements are prepared on the going concern basis, which means that the organisation is able to operate for the foreseeable future on the basis of known and reasonable projected resources. There are no material uncertainties in respect of the charity's and group's ability to continue as a going concern.

As we enter the third year of Covid-19 pandemic, we are seeing the end of most, but not all, restrictions. Our clinical services have all continued albeit in slightly different forms. We have been flexible and responsive. The past year our focus has continued to be on responding to the pandemic. As vaccinations and treatments for the virus have improved we can turn our attention to recovery and systematically reopen hospice services in line with national guidelines. To deliver the safe services during the pandemic has been a 'Team Teesside' effort with everyone playing their part.

A major element of the Covid-19 recovery plan is the wellbeing of all hospice staff and volunteers across both care delivery, income generation and retail. The impact of the pandemic on individuals, their families and local community cannot be underestimated, therefore a comprehensive programme to support staff is underway. This will allow 'Team Teesside' to regroup and reconnect across all services.

Teesside Hospice (Trading) Limited had to temporarily close all charity shops throughout the three lockdown periods in 2020/21. They since commenced trading from the 12th of April 2021. Staff were furloughed and income from charity shops ceased. The company was able to access government support. The company has also benefited from an insurance claim relating to loss of retail income due to the pandemic.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

The 2022/23 budget has been produced under the assumption that there will be no further lockdowns and a full year of trading. The forecast adopts a static approach to income levels, 2021/22 has been successful but there are challenges in terms of quality donated stock and staffing. The organisation strives to develop new fundraising methods suitable to the current climate.

The current financial climate is a test to every organisation's reserves policy. Measures are in place to ensure the financial impact is under constant review. The risk register has been fully updated to include the new exposures faced. The Trustees have prepared profit and loss forecasts and cash flow forecasts for the following 12 months and have reviewed the group's resources and have a reasonable expectation that the charity and group has adequate reserves to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

BASIS OF CONSOLIDATION

The financial statements consolidate the results of the charity and its wholly owned subsidiary undertaking, Teesside Hospice (Trading) Limited, on a line by line basis. All financial statements are made up to 31 March 2022, and consistent accounting policies are used.

A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

INCOME

Income is recognised in the statement of financial activities when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. The following policies are applied to particular categories of income:

Donations and legacies are received by way of grants, donations, legacies and gifts and are recognised where there is entitlement, receipt is probable and the amount can be measured with sufficient reliability.

Legacies are included when the charitable company is advised by the personal representatives of an estate, whereby probate has been granted, and that payment will be made or property transferred provided that sufficient information has been received to enable valuation of the charity's entitlement and hence the amount involved can be quantified.

Gifts in kind, which include donated drugs and dressings, is included as income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. The amount included in note 2 is £56,776 (2021: £51,266) of which £44,721 was drugs and dressings purchased then recharged to the CCG and £12,055 was the value of donated drugs and dressings. No income is recognised where there is no financial cost borne by a third party.

Income from charitable activities also include fees and grants received for services within contracts for operational programmes, and the income is recognised in the period in which it is receivable

Income from investments is included in the year in which it is receivable.

Income generated by the charitable company's sole subsidiary, is included within other trading activities income, and is included in the period in which the income is receivable. The charity lets a non-investment property to the trading subsidiary in furtherance of the charity's objects. Rental/service charge income and expenditure is removed on consolidation. The group also operates a donor procurement and management recharge agreement in relation to Retail Gift Aid donors. The income and expenditure is removed on consolidation.

Government grant income is recognised in the statement of financial activities when the group has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Where a grant is receivable as compensation for costs already incurred or for immediate financial support, with no future related costs, the grant is recognised as income in the period in which it is receivable.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

Gifts donated for resale are included as income when they are sold. The Trustees acknowledge that they are assets of the Charity as soon as received but due to the fact that a very large number of small value items are received, the time and cost of valuing donated goods at receipt would outweigh any benefit (of having them valued) to the users of the financial statements. 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 a sale.

RESOURCES EXPENDED

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is included in the Statement of Financial Activities on an accruals basis inclusive of any VAT which cannot be fully recovered.

Costs of raising funds are those incurred in attracting voluntary income, and the costs of the trading subsidiary for fundraising purposes.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries, and includes both the direct costs and support costs relating to these activities and an apportionment of support and governance costs.

Certain expenditure is directly attributable to specific activities and have been included in these categories. Certain other support costs, which are attributable to more than one activity, are apportioned across costs categories using methods including floor space, activity and headcount.

OPERATING LEASE AGREEMENTS

The group as a lessee

The charity classifies the lease of properties as operating leases. Rental charges are charged to the statement of financial activities on a straight line basis of the period of the lease.

The group as lessor

Rental income from assets leased under operating leases is recognised on a straight line basis over the term of the lease.

FUNDS ACCOUNTING - The funds held by the charity are:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

Designated funds – these are funds that comprise general funds that have been set aside at the discretion of the trustees for specific purposes. The purpose and use of these designated funds is set out in the notes to the financial statements.

Restricted funds – these are funds that can only be used for particular funds within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

TANGIBLE FIXED ASSETS

Individual tangible fixed assets costing £5,000 or more are capitalised. Tangible fixed assets are initially measured at cost and subsequently measured at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

| | | |
|----------------------------------|---|--|
| Freehold buildings | - | Straight line over forty years |
| Freehold land | - | Nil |
| Leasehold improvements | - | Straight line over the term of the lease |
| Computer equipment | - | 33% straight line |
| Fixtures, fittings and equipment | - | 15%-25% straight line |
| Motor vehicles | - | 25% straight line |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

INVESTMENTS

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in income and expenditure.

Fixed asset investments held in the form of shares or securities are included at mid-market value at the balance sheet date. Realised gains and losses on investments are calculated as difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the SOFA in the year of disposal. Unrealised gains and losses represent the movement in the market values during the year and are credited to the statement or charged to the SOFA based on market value at the year end. Fixed asset investment property is measured at fair value whilst a reliable measure of fair value is available without undue cost or effort. Changes in fair value are recognised in the SOFA.

Short term investments are deposits held in fixed term bank accounts on which penalties would be incurred if funds were withdrawn before maturity.

STOCK

Stock is valued at the lower of cost and net realisable value. Items donated for resale are included in the financial statements when they are sold.

DEBTORS

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

CASH AT BANK AND IN HAND

Cash at bank and cash in hand includes cash held at bank and cash held in short term investments.

CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

FINANCIAL INSTRUMENTS

The charity has elected to apply the provisions of Section 11 “Basic Financial Instruments” and Section 12 “Other Financial Instruments Issues” of FRS 102, in full to all of its financial instruments. All of the charities financial assets and financial liabilities qualify as basis financial instruments. Basic Financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Financial assets: Trade and other debtors

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities: Trade and other creditors

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not resolved at the balance sheet date where transactions or events have occurred at that date will result in an obligation to pay more, or a right to pay less or to receive more tax with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be capitalised as an intangible fixed asset or a tangible fixed asset.

Employees are entitled to carry forward unused holiday entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employee's services are received.

Provision for termination benefits are recognised only when the company is demonstrably committed to terminate the employment of an employee, or a group of employees, before their normal retirement date or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

RETIREMENT BENEFITS

Multi-Employer Plan

The charitable company's clinical staff are eligible to contribute to the NHS pension scheme, an unfunded final salary scheme. Contributions are made by both the employer and the employee. The pension scheme is a multi-employer scheme. The charitable company is unable to identify its share of the underlying assets and liabilities of the scheme; the scheme is therefore accounted for as a defined contribution scheme in accordance with FRS102. Contributions are recognised as income and expenditure in the period to which they relate as there is insufficient information available to use defined benefit accounting.

Where applicable, a liability is recognised for contributions arising from an agreement with the multi-employer plan that determines how the charity will fund a deficit. Contributions are discounted when they are not expected to be settled wholly within 12 months of the period end.

Defined contribution plan

The charitable company also contributes to the personal pension scheme of certain other employees. The pensions costs charged in the financial statements represent the contribution payable by the charitable company during the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical areas of judgement

In categorising leases as finance leases or operating leases, management makes judgments as to whether significant risks and rewards of ownership have transferred to the charity as lessees, or the lessee, where the Charity is lessor.

Legacy recognition - legacies are recognised on a case by case basis after considering whether probate has been granted, and when the executor of the estate has communicated in writing both the amount and settlement date and hence there is sufficient information received to be able to value the charity's entitlement.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

2 DONATIONS AND LEGACIES

| | Unrestricted funds £ | Restricted funds £ | 2022 Total £ | 2021 Total £ |
|--------------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| General donations | 237,985 | 3,422 | 241,407 | 321,175 |
| Sponsored events | 216,019 | - | 216,019 | 192,802 |
| 'In Memory' donations | 104,708 | - | 104,708 | 132,346 |
| Edward Guy Foundation | 75,000 | - | 75,000 | 100,000 |
| Placements/teaching | 9,024 | - | 9,024 | 4,051 |
| Solicitors claims | - | - | - | 13,517 |
| Retail sales applicable for Gift Aid | 204,683 | - | 204,683 | 78,590 |
| Gift Aid on retail | 51,197 | - | 51,197 | 19,653 |
| Grants and trusts received | 40,220 | 74,120 | 114,340 | 178,875 |
| Legacies | 151,688 | - | 151,688 | 862,573 |
| Drugs from CCG | 56,776 | - | 56,776 | 51,266 |
| | <u>1,147,300</u> | <u>77,542</u> | <u>1,224,842</u> | <u>1,954,848</u> |
| 2021 total | <u>1,822,690</u> | <u>132,158</u> | <u>1,954,848</u> | |

Retail Sales applicable for Gift Aid have been reclassified as a donation from other trading activities and therefore the prior year figures have been restated accordingly.

Teesside Hospice has an established team of volunteers who offer their free time to the organisation. In accordance with FRS 102 and the Charities SORP (FRS 102) Section 6, the economic contribution of general volunteers is not recognised in the accounts in the absence of a reliable measurement basis. The current headcount approximately 300.

3 INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted funds £ | Restricted funds £ | 2022 Total £ | 2021 Total £ |
|---------------------|----------------------------|--------------------------|--------------------|--------------------|
| Tees Valley CCG | 668,496 | - | 668,496 | 608,958 |
| Lymphoedema clinic | 622,184 | 61,008 | 683,192 | 680,195 |
| Other CCG recharges | 71,575 | - | 71,575 | 74,146 |
| NHS England | - | 130,000 | 130,000 | 598,466 |
| | <u>1,362,255</u> | <u>191,008</u> | <u>1,553,263</u> | <u>1,961,765</u> |
| 2021 total | <u>1,302,413</u> | <u>659,352</u> | <u>1,961,765</u> | |

4 OTHER TRADING ACTIVITIES

| | Unrestricted funds £ | 2022 Total £ | 2021 Total £ |
|-------------------------------|----------------------------|--------------------|--------------------|
| Retail sales | 1,112,563 | 1,112,563 | 502,268 |
| Local authority grant funding | 43,737 | 43,737 | 137,116 |
| Fundraising | 161,943 | 161,943 | 67,674 |
| Lottery | 655,214 | 655,214 | 566,824 |
| Catering contributions | 3,007 | 3,007 | 3,462 |
| | <u>1,976,464</u> | <u>1,976,464</u> | <u>1,277,344</u> |

The income from other trading activities in 2021 all related to unrestricted funds.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

5 TRADING SUBSIDIARY

The charity controls the company listed below by virtue of holding a controlling interest in the equity share capital:

| Name of subsidiary | Country of incorporation | % of equity share capital held |
|------------------------------------|--------------------------|--------------------------------|
| Teesside Hospice (Trading) Limited | England and Wales | 100 |

Teesside Hospice Group consists of two companies. The holding company is Teesside Hospice Care Foundation (Limited by Guarantee) and its 100% subsidiary is Teesside Hospice (Trading) Limited.

The subsidiary company, Teesside Hospice (Trading) Limited is incorporated in England & Wales and undertakes trading and fundraising activities. Company Number of Teesside Hospice (Trading) Limited is 02265205. Taxable profits from this company are donated to the Hospice by Gift Aid, a fact which is referred to in the trading company's publicity material. The activities of the subsidiary have been consolidated on a line by line basis in the SOFA.

Two members of the charity's Board of Trustees plus two members of the Senior Management Team sit on the board of the subsidiary.

The trading results of the subsidiary, as extracted from the audited financial statements, are summarised as follows:

| | 2022 £ | 2021 £ |
|---|----------------|----------------|
| Turnover | 1,767,777 | 1,069,092 |
| Total expenditure | (1,239,780) | (1,103,140) |
| Other income | 242,071 | 530,356 |
| Taxation (deferred tax credit - reversal of timing differences) | - | - |
| Profit after tax for the year | 770,068 | 496,308 |

The assets and liabilities of Teesside Hospice (Trading) Limited were:

| | 2022 £ | 2021 £ |
|-------------------------|---------------|----------------|
| Assets | 238,521 | 271,793 |
| Liabilities | (177,719) | (167,449) |
| Total net assets | 60,802 | 104,344 |

6 INVESTMENTS

| | Unrestricted funds £ | 2022 Total £ | 2021 Total £ |
|--------------------------------------|-------------------------|--------------------|--------------------|
| Income from UK investment properties | 6,300 | 6,300 | 6,300 |
| Income from UK listed investments | 52,250 | 52,250 | 45,187 |
| Bank interest receivable | 14,660 | 14,660 | 23,624 |
| | 73,480 | 73,480 | 75,111 |

The investments income in 2021 all related to unrestricted funds.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

7 OTHER INCOME

| | Unrestricted funds £ | 2022 Total £ | 2021 Total £ |
|---|----------------------------|--------------------|--------------------|
| Job retention scheme (CJRS) including SSP | 11,611 | 11,611 | 238,361 |
| Insurance compensation | 51,569 | 51,569 | 170,000 |
| Sundry income | 25 | 25 | - |
| | <u>63,205</u> | <u>63,205</u> | <u>408,361</u> |

The other income in 2021 all related to unrestricted funds.

The group benefitted from the above Government financial assistance support package during the year, in addition to the NHS funding which was administered by Hospice UK detailed in note 3 and the local authority grants detailed in note 4. The local authorities distributed funding for business who were forced to close during lockdowns and the CJRS was paid to cover the costs of furloughed staff and lost workforce due to sickness. There are no unfulfilled conditions or contingencies attached to the recognised grants.

8 RAISING FUNDS: COMMERCIAL TRADING ACTIVITY

| | Unrestricted Funds £ | Restricted funds £ | 2022 Total £ | 2021 Total £ |
|----------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Wages & salaries | 844,505 | 280 | 844,785 | 730,922 |
| Other costs | 721,182 | 10,513 | 731,695 | 640,746 |
| Depreciation | 8,890 | - | 8,890 | 8,890 |
| Investment management fees | 20,559 | - | 20,559 | 16,526 |
| | <u>1,595,136</u> | <u>10,793</u> | <u>1,605,929</u> | <u>1,397,084</u> |
| 2021 total | <u>1,395,249</u> | <u>1,835</u> | <u>1,397,084</u> | |

9 COSTS OF CHARITABLE ACTIVITIES – BY FUND TYPE

| | Unrestricted funds £ | Restricted funds £ | 2022 Total £ | 2021 Total £ |
|-------------------------|----------------------------|--------------------------|--------------------|--------------------|
| I P U | 1,667,565 | 209,012 | 1,876,577 | 1,949,507 |
| Wellbeing & Lymphoedema | 810,487 | 93,757 | 904,244 | 831,520 |
| Bereavement Counselling | 173,897 | 8,881 | 182,778 | 222,982 |
| Community | - | - | - | 3,548 |
| | <u>2,651,949</u> | <u>311,650</u> | <u>2,963,599</u> | <u>3,007,557</u> |
| 2021 total | <u>2,187,776</u> | <u>819,781</u> | <u>3,007,557</u> | |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

10 COSTS OF CHARITABLE ACTIVITIES – BY ACTIVITY

| | Direct costs £ | Support costs £ | 2022 Total £ | 2021 Total £ |
|-------------------------|-------------------|--------------------|--------------------|--------------------|
| IPU | 1,301,684 | 574,893 | 1,876,577 | 1,949,507 |
| Wellbeing & Lymphoedema | 682,098 | 222,146 | 904,244 | 831,520 |
| Bereavement Counselling | 110,898 | 71,880 | 182,778 | 222,982 |
| Community | - | - | - | 3,548 |
| | <u>2,094,680</u> | <u>868,919</u> | <u>2,963,599</u> | <u>3,007,557</u> |
| 2021 total | <u>2,129,416</u> | <u>878,141</u> | <u>3,007,557</u> | |

11 ANALYSIS OF DIRECT AND SUPPORT COSTS

| DIRECT COSTS | IPU £ | Wellbeing and Lymphoedema £ | Bereavement Counselling £ | Community £ | 2022 Total £ | 2021 Total £ |
|-----------------------|------------------|--------------------------------|------------------------------|----------------|--------------------|--------------------|
| Staff costs | 1,232,407 | 401,143 | 105,423 | - | 1,738,973 | 1,802,733 |
| Establishment | 12,355 | 16,906 | 1,571 | - | 30,832 | 46,378 |
| Consumables | 4,449 | 263,185 | - | - | 267,634 | 226,946 |
| Volunteer costs | 86 | - | 834 | - | 920 | 363 |
| Uniforms | 2,240 | 335 | - | - | 2,575 | 1,463 |
| Counselling resources | - | - | 3,070 | - | 3,070 | 2,043 |
| General expenses | 1,597 | 529 | - | - | 2,126 | 940 |
| Depreciation | 48,550 | - | - | - | 48,550 | 48,550 |
| | <u>1,301,684</u> | <u>682,098</u> | <u>110,898</u> | <u>-</u> | <u>2,094,680</u> | <u>2,129,416</u> |
| 2021 total | <u>1,381,038</u> | <u>607,177</u> | <u>137,653</u> | <u>3,548</u> | <u>2,129,416</u> | |

| SUPPORT COSTS | IPU £ | Wellbeing and Lymphoedema £ | Bereavement Counselling £ | Community £ | 2022 Total £ | 2021 Total £ |
|-------------------|----------------|--------------------------------|------------------------------|----------------|--------------------|--------------------|
| Staff costs | 316,474 | 122,055 | 33,959 | - | 472,488 | 456,393 |
| Establishment | 92,220 | 61,721 | 28,269 | - | 182,210 | 205,273 |
| Training & HR | 15,520 | 5,986 | 1,665 | - | 23,171 | 18,571 |
| Consumables | 74,737 | 8,304 | - | - | 83,041 | 81,102 |
| Cleaning supplies | 10,225 | 3,820 | 629 | - | 14,674 | 13,379 |
| Kitchen supplies | 24,421 | 127 | 35 | - | 24,583 | 21,874 |
| Volunteer costs | 1,612 | 621 | 173 | - | 2,406 | 162 |
| Uniforms | 351 | 135 | 38 | - | 524 | 419 |
| General expenses | 19,966 | 7,701 | 2,142 | - | 29,809 | 35,461 |
| Depreciation | 11,423 | 7,967 | 3,761 | - | 23,151 | 27,801 |
| Irrecoverable VAT | 400 | 800 | 400 | - | 1,600 | 110 |
| Governance costs | 7,544 | 2,909 | 809 | - | 11,262 | 17,596 |
| | <u>574,893</u> | <u>222,146</u> | <u>71,880</u> | <u>-</u> | <u>868,919</u> | <u>878,141</u> |
| 2021 total | <u>568,469</u> | <u>224,343</u> | <u>85,329</u> | <u>-</u> | <u>878,141</u> | |

Support costs have been allocated using varying methods as described in resources expended on page 20.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

12 GOVERNANCE COSTS

| | Unrestricted Funds £ | 2022 Total £ | 2021 Total £ |
|-----------------------------|----------------------------|--------------------|--------------------|
| Accountancy fees | 500 | 500 | 1,350 |
| Auditor remuneration | 10,049 | 10,049 | 14,950 |
| Legal and professional fees | 713 | 713 | 1,296 |
| | <u>11,262</u> | <u>11,262</u> | <u>17,596</u> |

13 NET INCOMING RESOURCES FOR THE YEAR

| | 2022 £ | 2021 £ |
|--|---------------------------|---------------------------|
| Net incoming resources for the year are stated after charging: | | |
| Auditor's remuneration | 10,049 | 14,950 |
| Non audit services | 500 | 1,350 |
| Depreciation of owned fixed assets | 80,591 | 85,241 |
| Operating lease rentals – land and buildings | 186,411 | 173,136 |
| | <u> </u> | <u> </u> |

14 ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND COST OF KEY MANAGEMENT PERSONNEL

| | Costs of raising funds £ | Charitable expenditure £ | 2022 Total £ | 2021 Total £ |
|--|--------------------------------|--------------------------------|--------------------|--------------------|
| Wages and salaries | 767,267 | 1,854,579 | 2,621,846 | 2,527,167 |
| Social security costs | 52,513 | 149,838 | 202,351 | 195,050 |
| Pension costs | 25,005 | 181,743 | 206,748 | 203,741 |
| Termination payments | - | 1,043 | 1,043 | 26,198 |
| Salaries paid via service level agreements | - | 24,258 | 24,258 | 37,892 |
| | <u>844,785</u> | <u>2,211,461</u> | <u>3,056,246</u> | <u>2,990,048</u> |

Throughout the Covid-19 pandemic it has been necessary to review the entire landscape of service delivery and fundraising mechanisms which resulted in the above termination payments.

Employees' emoluments

The number of employees who earned more than £60,000 excluding company pension contributions during the year was as follows:

| | 2022 Number | 2021 Number |
|--------------------|----------------|----------------|
| £60,000 to £70,000 | <u>1</u> | <u>1</u> |

The number of higher paid employees accruing pension benefit was:

| | 2022 Number | 2021 Number |
|--|----------------|----------------|
| Defined contribution scheme – salary sacrifice arrangement | <u>1</u> | <u>1</u> |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

Pension contributions paid in the year in respect of the above staff were £3,453 (2021: £3,434).

Key management personnel

The key management personnel of the group comprise those of the charity and the key management personnel of its wholly owned subsidiary Teesside Hospice (Trading) Limited. The total employee benefits of the key management personnel of the group were £310,335 (2021: £295,427).

Trustees' remuneration

The Trustees received no remuneration during the year (2021: £nil) and no Trustee individually received payment for professional or other services supplied to the charity (2021: £nil).

The aggregate amount of expenses reimbursed to the Trustees for the year was £20 (2021: £nil). The number of persons reimbursed was 1 (2021: 0). This was in respect of an evening meal at the Hospice UK conference.

15 STAFF NUMBERS

The average monthly numbers of employees during the year, was as follows:

| | 2022 Number (Headcount) | 2022 Number (FTE) | 2021 Number (Headcount) | 2021 Number (FTE) |
|-------------------|-------------------------------|-------------------------|-------------------------------|----------------------|
| Hospice services | | | | |
| IPU | 30 | 25 | 32 | 25 |
| Medical | 6 | 3 | 6 | 3 |
| Wellbeing | 5 | 3 | 5 | 3 |
| Administration | 14 | 12 | 17 | 13 |
| Kitchen | 5 | 3 | 4 | 3 |
| Cleaning | 7 | 4 | 7 | 4 |
| Bereavement | 3 | 2 | 3 | 2 |
| AHP | 3 | 2 | 5 | 2 |
| Establishment | 3 | 3 | 3 | 3 |
| Lymphoedema | 9 | 5 | 8 | 6 |
| | <u>85</u> | <u>62</u> | <u>90</u> | <u>64</u> |
| Income generation | <u>43</u> | <u>36</u> | <u>37</u> | <u>32</u> |
| | <u>128</u> | <u>98</u> | <u>127</u> | <u>96</u> |

On average 9 bank staff are used per month.

The Hospice is recharged by South Tees Hospitals NHS Foundation Trust and Tees Esk & Wear Valleys NHS Foundation Trust for the salaries of employees as follows:

| | 2022 Number | 2021 Number |
|-----|----------------|----------------|
| AHP | <u>3</u> | <u>3</u> |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

16 TAXATION

The company is a registered charity and is exempt from tax on income and gains falling within sections 466 to 493 of the Corporation Tax Act 2010 or section 256 of the Taxable Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

The trading subsidiary is liable to corporation tax on their taxable profits. Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

17 FINANCIAL PERFORMANCE OF THE CHARITY

A separate Statement of Financial Activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006. The net incoming resources before gains and loss for the year for the charity was £365,268 (2021: £1,302,816).

18 TANGIBLE FIXED ASSETS – GROUP

| | Freehold buildings £ | Leasehold improvements £ | Freehold land £ | Fixtures, fittings and equipment £ | Motor vehicles £ | Total £ |
|------------------------|----------------------------|--------------------------------|--------------------|---|------------------------|------------------|
| Cost | | | | | | |
| At 1 April 2021 | 2,358,751 | 32,102 | 556,439 | 317,508 | 35,368 | 3,300,168 |
| Additions | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - |
| At 31 March 2022 | <u>2,358,751</u> | <u>32,102</u> | <u>556,439</u> | <u>317,508</u> | <u>35,368</u> | <u>3,300,168</u> |
| Depreciation | | | | | | |
| At 1 April 2021 | 1,362,475 | 32,102 | - | 238,676 | 35,368 | 1,668,621 |
| Charge for the year | 58,100 | - | - | 22,491 | - | 80,591 |
| Disposals | - | - | - | - | - | - |
| At 31 March 2022 | <u>1,420,575</u> | <u>32,102</u> | <u>-</u> | <u>261,167</u> | <u>35,368</u> | <u>1,749,212</u> |
| Net book values | | | | | | |
| At 31 March 2022 | <u>938,176</u> | <u>-</u> | <u>556,439</u> | <u>56,341</u> | <u>-</u> | <u>1,550,956</u> |
| At 31 March 2021 | <u>996,276</u> | <u>-</u> | <u>556,439</u> | <u>78,832</u> | <u>-</u> | <u>1,631,547</u> |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

19 TANGIBLE FIXED ASSETS – CHARITY

| | Freehold buildings £ | Freehold land £ | Fixtures, fittings and equipment £ | Motor vehicles £ | Total £ |
|-----------------------------|----------------------------|-----------------------|---|------------------------|-------------------------|
| Cost | | | | | |
| At 1 April 2021 | 2,358,751 | 556,439 | 220,773 | 35,368 | 3,171,331 |
| Additions | - | - | - | - | - |
| Transferred from subsidiary | - | - | - | - | - |
| At 31 March 2022 | <u>2,358,751</u> | <u>556,439</u> | <u>220,773</u> | <u>35,368</u> | <u>3,171,331</u> |
| Depreciation | | | | | |
| At 1 April 2021 | 1,362,475 | - | 171,133 | 35,368 | 1,568,976 |
| Charge for the year | 58,100 | - | 13,601 | - | 71,701 |
| Transferred from subsidiary | - | - | - | - | - |
| At 31 March 2022 | <u>1,420,575</u> | <u>-</u> | <u>184,734</u> | <u>35,368</u> | <u>1,640,677</u> |
| Net book values | | | | | |
| At 31 March 2022 | <u>938,176</u> | <u>556,439</u> | <u>36,039</u> | <u>-</u> | <u>1,530,654</u> |
| At 31 March 2021 | <u>996,276</u> | <u>556,439</u> | <u>49,640</u> | <u>-</u> | <u>1,602,355</u> |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

20 FIXED ASSET INVESTMENT – GROUP AND CHARITY

| | Listed investments £ | Investment property £ | Cash held as part of the investment portfolio £ | Total £ |
|---|----------------------------|-----------------------------|---|------------------|
| Valuation | | | | |
| At 1 April 2021 | 2,872,780 | 110,000 | 44,749 | 3,027,529 |
| Additions | 991,556 | - | 1,087,931 | 2,079,487 |
| Disposals | (387,921) | - | (1,015,322) | (1,403,243) |
| Unrealised gain on revaluation of investments | 192,368 | 10,000 | - | 202,368 |
| | <u>3,668,783</u> | <u>120,000</u> | <u>117,358</u> | <u>3,906,141</u> |
| At 31 March 2022 | | | | |
| Historical cost as at 31 March 2022 | <u>3,143,604</u> | <u>92,500</u> | <u>117,358</u> | <u>3,353,462</u> |

In addition to the above, the charitable company holds a £2 investment in the share capital of Teesside Hospice (Trading) Limited.

All fixed asset investments are held within the United Kingdom.

The investment property was professionally revalued as at 31 March 2022 by Browns Estate Agency Limited, Chartered Surveyors, on an open market basis. Browns Estate Agency Limited are not connected with the group. The property has three restrictions attached which are in existence during the donor's lifetime: 1. it will not be occupied by more than two adults; 2. There will be no pets and 3. It will not be sold without the donor's consent.

21 STOCKS

| | Group 2022 £ | Group 2021 £ | Charity 2022 £ | Charity 2021 £ |
|--------|--------------------|--------------------|----------------------|----------------------|
| Stocks | <u>31,474</u> | <u>24,645</u> | <u>-</u> | <u>1,046</u> |

22 DEBTORS

| | Group 2022 £ | Group 2021 £ | Charity 2022 £ | Charity 2021 £ |
|---|--------------------|--------------------|----------------------|----------------------|
| Trade debtors | 59,673 | 11,875 | 59,673 | 11,875 |
| Amounts due from subsidiary undertaking | - | - | 15,154 | - |
| Other debtors | 20,115 | 39,402 | 18,230 | 11,004 |
| VAT receivable | 23,467 | 28,098 | 24,783 | 14,750 |
| Prepayments and accrued income | <u>813,224</u> | <u>705,371</u> | <u>791,561</u> | <u>688,703</u> |
| | <u>916,479</u> | <u>784,746</u> | <u>909,401</u> | <u>726,332</u> |

23 SHORT TERM INVESTMENTS

| | Group 2022 £ | Group 2021 £ | Charity 2022 £ | Charity 2021 £ |
|-----------------------------|--------------------|--------------------|----------------------|----------------------|
| Cash equivalents on deposit | <u>1,986,299</u> | <u>1,824,622</u> | <u>1,986,299</u> | <u>1,824,622</u> |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

24 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group 2022 £ | Group 2021 £ | Charity 2022 £ | Charity 2021 £ |
|-------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Trade creditors | 125,972 | 69,516 | 95,354 | 50,639 |
| Amounts owed to group undertakings | - | - | - | 63,162 |
| Other tax and social security | 50,344 | 48,575 | 50,344 | 48,575 |
| Other creditors | 35,570 | 30,711 | 29,195 | 26,605 |
| Accruals and deferred income | 148,174 | 272,472 | 31,073 | 137,943 |
| | <u>360,060</u> | <u>421,274</u> | <u>205,966</u> | <u>326,924</u> |
| | Group 2022 £ | Group 2021 £ | Charity 2022 £ | Charity 2021 £ |
| Deferred income | | | | |
| Deferred income brought forward | 197,962 | 257,794 | 85,200 | 176,757 |
| Resources deferred in the year | 93,808 | 122,962 | 100 | 10,200 |
| Amounts released from previous year | <u>(197,762)</u> | <u>(182,794)</u> | <u>(85,000)</u> | <u>(101,757)</u> |
| Deferred income carried forward | <u>94,008</u> | <u>197,962</u> | <u>300</u> | <u>85,200</u> |

Deferred income in the charity at 31 March 2021 included £75,000 received from The Edward Guy Foundation. £425,000 was donated to Teesside Hospice in March 2018 to continue to support the hospice for a further four years. The final £75,000 was recognised in the year to 31 March 2022. Deferred income in the group includes £93,708 in respect of lottery membership payments paid in advance for future draws.

25 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | Group 2022 £ | Group 2021 £ | Charity 2022 £ | Charity 2021 £ |
|-------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Lease liabilities | <u>7,155</u> | <u>9,937</u> | <u>-</u> | <u>-</u> |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

26 FINANCIAL INSTRUMENTS

| | Group 2022 £ | Group 2021 £ | Charity 2022 £ | Charity 2021 £ |
|---|--------------------|--------------------|----------------------|----------------------|
| FINANCIAL ASSETS | | | | |
| Debt instruments measured at amortised cost: | | | | |
| Trade debtors | 59,673 | 11,875 | 59,673 | 11,875 |
| Other debtors | 18,230 | 37,517 | 18,230 | 11,004 |
| Accrued income | 728,285 | 636,506 | 728,285 | 636,506 |
| TOTAL | 806,188 | 685,898 | 806,188 | 659,385 |
| FINANCIAL LIABILITIES | | | | |
| Measured at amortised cost: | | | | |
| Trade creditors | 125,972 | 69,516 | 95,354 | 50,639 |
| Other creditors | 35,570 | 30,711 | 29,195 | 26,605 |
| Accruals | 54,166 | 74,510 | 30,773 | 52,743 |
| Rent liabilities due after more than one year | 7,155 | 9,937 | - | - |
| TOTAL | 222,863 | 184,674 | 155,322 | 129,987 |

27 ANALYSIS OF NET ASSETS BETWEEN FUNDS – GROUP

| | Unrestricted funds £ | Restricted funds £ | Total funds 2022 £ | Total funds 2021 £ |
|--|----------------------------|--------------------------|--------------------------|--------------------------|
| Fund balances at 31 March 2022 represented by: | | | | |
| Tangible fixed assets | 1,002,171 | 548,785 | 1,550,956 | 1,631,547 |
| Investment assets | 3,906,141 | - | 3,906,141 | 3,027,529 |
| Current assets | 4,199,414 | 25,499 | 4,224,913 | 4,562,836 |
| Current liabilities and provisions | (367,215) | - | (367,215) | (431,211) |
| | 8,740,511 | 574,284 | 9,314,795 | 8,790,701 |
| 2021 total | 8,162,157 | 628,544 | 8,790,701 | |

ANALYSIS OF NET ASSETS BETWEEN FUNDS – CHARITY

| | Unrestricted funds £ | Restricted funds £ | Total funds 2022 £ | Total funds 2021 £ |
|--|----------------------------|--------------------------|--------------------------|--------------------------|
| Fund balances at 31 March 2022 represented by: | | | | |
| Tangible fixed assets | 981,869 | 548,785 | 1,530,654 | 1,602,355 |
| Investment assets | 3,906,143 | - | 3,906,143 | 3,027,531 |
| Current assets | 3,997,665 | 25,499 | 4,023,164 | 4,383,397 |
| Current liabilities and provisions | (205,966) | - | (205,966) | (326,924) |
| | 8,679,711 | 574,284 | 9,253,995 | 8,686,359 |
| 2021 total | 8,057,815 | 628,544 | 8,686,359 | |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

28 RETIREMENT BENEFITS

The trading company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The contributions payable by the company charged to income and expenditure amounted to £16,570 (2021: £13,954).

The group also operates the same defined contribution pension scheme for employees of the charity and in addition, participates in a multi-employer pension plan, being the NHS Pension Scheme. The assets of the scheme are held separately from those of the charity in independently administered funds. Furthermore, the group participates in the Pensions Trust Growth Plan, Series 4, a defined contribution pension scheme.

Total pension contributions payable by the group charged to income and expenditure amounted to £206,748 (2021: £203,741). Pension costs have been allocated based on the member of staff to whom the cost relates and the department they work in. Total contributions for all three pension schemes totalling £29,025 (2021: £26,525) were payable to the fund at the year end and are included in creditors.

NHS Pension Scheme

The NHS Pension Scheme ('the scheme') is an unfunded, multi-employer defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable participating bodies to identify their share of the underlying Scheme assets and liabilities. Therefore, the Scheme is accounted for as if it were a defined contribution scheme: the cost to the charity of participating in the Scheme is taken as equal to the contributions payable to the Scheme for the accounting period.

At the balance sheet date there were 25 active members of the Scheme employed by the charity.

The 1995 and 2008 Schemes are "final salary" schemes. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last 3 years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. The 2015 Scheme is a career average re-valued earnings scheme with annual pension based on 1/54th of each years pensionable earnings as re-valued by Treasury rates. With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in consumer prices in the twelve months ending 30 September in the previous calendar year. On death, a pension of 50% of the member's pension is normally payable to the surviving spouse. From 1 April 2022, all active members will become members of the 2015 NHS Pension Scheme, they will automatically move over from the 1995/2008 Scheme and start building benefits on the 2015 Scheme.

The Scheme is subject to a full actuarial valuation every four years, and an FRS102 accounting valuation every year. In March 2019 a consultation response was published which increased the employer contribution rate to 20.68% (including an administration levy) from 1 April 2019. For the first four years the employer will pay at the existing rate of 14.38% with the balance being funded by government.

The valuation of scheme liability in accordance with FRS102 is carried out annually by the Scheme Actuary. The latest assessment of the liabilities of the Scheme is contained in the Scheme Actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Resource Accounts, published annually. These accounts can be viewed on the NHS Pensions website.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

29 UNRESTRICTED FUNDS – GROUP

| 2020/21 | At 1 April 2020 £ | Incoming resources £ | Outgoing resources £ | Gains, losses & transfers £ | At 31 March 2021 £ |
|-------------------------------|-------------------------|----------------------------|----------------------------|-----------------------------------|-----------------------------|
| General reserves | | | | | |
| Charity | 6,305,422 | 3,286,471 | (2,459,746) | 25,668 | 7,157,815 |
| Non- charitable trading funds | 134,370 | 1,599,448 | (1,103,140) | (526,336) | 104,342 |
| Total General reserves | 6,439,792 | 4,885,919 | (3,562,886) | (500,668) | 7,262,157 |
| Designated development fund | 21,045 | - | (20,139) | (906) | - |
| Designated property fund | - | - | - | 500,000 | 500,000 |
| Designated deficits fund | - | - | - | 400,000 | 400,000 |
| | <u>6,460,837</u> | <u>4,885,919</u> | <u>(3,583,025)</u> | <u>398,426</u> | <u>8,162,157</u> |

| 2021/22 | At 1 April 2021 £ | Incoming resources £ | Outgoing resources £ | Gains, losses & transfers £ | At 31 March 2022 £ |
|-------------------------------|-------------------------|----------------------------|----------------------------|-----------------------------------|-----------------------------|
| General reserves | | | | | |
| Charity | 7,157,815 | 2,612,856 | (3,007,305) | 1,016,345 | 7,779,711 |
| Non- charitable trading funds | 104,342 | 2,009,848 | (1,239,780) | (813,610) | 60,800 |
| Total General reserves | 7,262,157 | 4,622,704 | (4,247,085) | 202,735 | 7,840,511 |
| Designated property fund | 500,000 | - | - | - | 500,000 |
| Designated deficits fund | 400,000 | - | - | - | 400,000 |
| | <u>8,162,157</u> | <u>4,622,704</u> | <u>(4,247,085)</u> | <u>202,735</u> | <u>8,740,511</u> |

UNRESTRICTED FUNDS – CHARITY ONLY

| 2020/21 | At 1 April 2020 £ | Incoming resources £ | Outgoing resources £ | Gains, losses & transfers £ | At 31 March 2021 £ |
|-----------------------------|-------------------------|----------------------------|----------------------------|-----------------------------------|-----------------------------|
| General reserves | 6,305,422 | 3,831,407 | (2,478,346) | (500,668) | 7,157,815 |
| Designated development fund | 21,045 | - | (20,139) | (906) | - |
| Designated property fund | - | - | - | 500,000 | 500,000 |
| Designated deficits fund | - | - | - | 400,000 | 400,000 |
| | <u>6,326,467</u> | <u>3,831,407</u> | <u>(2,498,485)</u> | <u>398,426</u> | <u>8,057,815</u> |

| 2021/22 | At 1 April 2021 £ | Incoming resources £ | Outgoing resources £ | Gains, losses & transfers £ | At 31 March 2022 £ |
|--------------------------|-------------------------|----------------------------|----------------------------|-----------------------------------|-----------------------------|
| General reserves | 7,157,815 | 3,445,066 | (3,025,905) | 202,735 | 7,779,711 |
| Designated property fund | 500,000 | - | - | - | 500,000 |
| Designated deficits fund | 400,000 | - | - | - | 400,000 |
| | <u>8,057,815</u> | <u>3,445,066</u> | <u>(3,025,905)</u> | <u>202,735</u> | <u>8,679,711</u> |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

| Name of unrestricted fund | Description, nature and purposes of the fund |
|----------------------------------|---|
| General reserves | The general reserves represent the free funds of the charity which are not designated for any particular purpose. |
| Designated funds | <p>In previous years, the Trustees agreed that Teesside Hospice have a Development Fund to enable steady growth and development of clinical services. The Development Fund projects ended on 31/01/21.</p> <p>In March 2021 Trustees agreed to designate £500,000 for the purchase of commercial property, further details of which are given in the reserves policy. At this time Trustees also agreed that, despite the challenges faced in the year to 31 March 2021, the year has seen very positive financial results due to one-off government assistance. This non-recurrent income was required to support the hospice for a longer period of time than the 2020/21 financial year. Therefore, £400,000 was designated to be used against the 2021/22 budgeted deficit which has been carried forward to 2022/23.</p> |

30 RESTRICTED FUNDS – GROUP AND CHARITY

| | At 1 April 2020 £ | Incoming resources £ | Outgoing resources £ | Gains, losses & transfers £ | At 31 March 2021 £ |
|----------------------------------|----------------------------|----------------------------|----------------------------|--------------------------------------|-----------------------------|
| 2020/21 | | | | | |
| Building Fund | 582,445 | - | (31,408) | - | 551,037 |
| Local CCGs | - | 60,886 | (60,886) | - | - |
| Macmillan Cancer Support | 529 | 17,322 | (17,322) | - | 529 |
| Dementia UK | - | 1,757 | (1,757) | - | - |
| Individual Supporters | 583 | 670 | (1,253) | - | - |
| Edward Guy Foundation | 17,000 | - | - | - | 17,000 |
| Patient Comfort Appeal | 52,851 | - | (11,662) | (370) | 40,819 |
| Outreach Nurse Appeal | 4,927 | 11,869 | (16,796) | - | - |
| The Pearl & Trevor Low Fund | 898 | - | (288) | - | 610 |
| Ballinger Trust | - | 1,000 | (1,000) | - | - |
| Jack Brunton Trust | - | 2,878 | (2,878) | - | - |
| Middlesbrough Council | - | 21,174 | (7,090) | - | 14,084 |
| Hadrian Trust | - | 1,000 | (1,000) | - | - |
| Co Durham Community Foundation | - | 14,550 | (14,357) | (193) | - |
| Rothley Trust | - | 1,500 | (1,500) | - | - |
| Tees Valley Community Foundation | - | 1,750 | (1,730) | (20) | - |
| Community Foundation Tyne & Wear | - | 2,878 | (2,878) | - | - |
| Ruby & Will George Trust | - | 2,500 | (1,317) | - | 1,183 |
| Morrisons Foundation | - | 3,093 | (3,093) | - | - |
| Warburtons | - | 250 | (250) | - | - |
| National Lottery Fund | - | 24,929 | (24,929) | - | - |
| The Percy Bilton Charity | - | 400 | (400) | - | - |
| JGW Patterson Foundation | - | 14,000 | (14,000) | - | - |
| HCP Social Infrastructure | - | 2,825 | (2,825) | - | - |
| Card Factory Foundation | - | 1,700 | (1,700) | - | - |
| D'Oyly Carte Charitable Trust | - | 3,000 | - | - | 3,000 |
| The William Leech Charity | - | 1,113 | (831) | - | 282 |
| NHS England | - | 598,466 | (598,466) | - | - |
| | <u>659,233</u> | <u>791,510</u> | <u>(821,616)</u> | <u>(583)</u> | <u>628,544</u> |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

| 2021/22 | At 1 April 2021 £ | Incoming resources £ | Outgoing resources £ | Gains, losses & transfers £ | At 31 March 2022 £ |
|-----------------------------------|----------------------------|----------------------------|----------------------------|--------------------------------------|-----------------------------|
| Building Fund | 551,037 | - | (31,408) | - | 519,629 |
| Local CCGs | - | 61,008 | (61,008) | - | - |
| Macmillan Cancer Support | 529 | - | - | - | 529 |
| Individual Supporters | - | 2,870 | (1,874) | - | 996 |
| Edward Guy Foundation | 17,000 | - | (6,606) | - | 10,394 |
| Patient Comfort Appeal | 40,819 | - | (11,662) | - | 29,157 |
| The Pearl & Trevor Low Fund | 610 | - | (610) | - | - |
| Jack Brunton Trust | - | 3,000 | (473) | - | 2,527 |
| Middlesbrough Council | 14,084 | 27,863 | (41,947) | - | - |
| Hadrian Trust | - | 1,000 | (1,000) | - | - |
| Rothley Trust | - | 1,200 | (1,200) | - | - |
| Tees Valley Community Foundation | - | 4,411 | (1,920) | - | 2,491 |
| Ruby & Will George Trust | 1,183 | 2,250 | (2,630) | - | 803 |
| Warburtons | - | 400 | (400) | - | - |
| D'Oyly Carte Charitable Trust | 3,000 | - | (3,000) | - | - |
| The William Leech Charity | 282 | - | - | (282) | - |
| Elise Pilkington Charitable Trust | - | 1,500 | (1,500) | - | - |
| Thirteen Group | - | 1,498 | (1,498) | - | - |
| Hospice Aid UK | - | 900 | (815) | (85) | - |
| City Fibre Holdings Ltd | - | 552 | (552) | - | - |
| Arnold Clark Community Fund | - | 1,000 | (1,000) | - | - |
| Venator Materials UK Ltd | - | 250 | (99) | - | 151 |
| Asda Foundation | - | 1,000 | (570) | - | 430 |
| Masonic Foundation | - | 13,234 | (13,234) | - | - |
| The Hospital Saturday Fund | - | 2,000 | (1,625) | - | 375 |
| Neighbourly Community Fund | - | 1,800 | (1,800) | - | - |
| Screwfix Foundation | - | 6,802 | - | - | 6,802 |
| Hospital of God | - | 1,100 | (1,100) | - | - |
| Middlesbrough & Stockton Mind | - | 800 | (800) | - | - |
| The Hedley Foundation | - | 2,112 | (2,112) | - | - |
| NHS England | - | 130,000 | (130,000) | - | - |
| | <u>628,544</u> | <u>268,550</u> | <u>(322,443)</u> | <u>(367)</u> | <u>574,284</u> |

| Name of restricted fund | Description, nature and purposes of the fund |
|--------------------------|--|
| Building fund | The building fund represents the net book value of the inpatient unit and annexed buildings. The fund is reduced by the depreciation charge on these fixed assets. |
| Local CCGs | From April 2018 the local CCG has funded the Lymphoedema Clinic Lead's salary, employer's national insurance costs and pension costs. |
| Macmillan Cancer Support | A bid was placed with Macmillan to fund comfort packs for service users. The balance of £529 will be used to purchase items for the packs in 2022/23. |
| Individual Supporters | During the year, individual supporters made donations specifically for the benefit of core clinical services. These monies were spent on complementary therapies, lymphoedema equipment and a thank you event. Two balances remain and will be spent in 2022/23. |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

| | |
|-----------------------------------|--|
| Edward Guy Foundation | Edward Guy Foundation kindly contributed £17,000 in 18/19 to be used for the purchase of 'Sky Inside' windows within a new build on the land acquired that year. Due to the timescale of this development changing, it was agreed this purchase was made for installations in the hospice building in 2021/22. A balance of £10,394 remains. |
| Patient Comfort Appeal | In March 2019 Teesside Hospice launched the Patient Comfort Appeal with the target of raising £49,000 for 10 new specialist beds for the Inpatient Unit. The appeal was very successful. The fund is reduced by the depreciation charge on these fixed assets. |
| The Pearl & Trevor Low Fund | A previous member of staff obtained funding for complementary therapy clinics at the hospice. The brought forward balance of £610 was spent on consumables in the year. |
| Jack Brunton Trust | This kind donation was made to service clinical equipment such as syringe drivers and hoists. £473 was spent leaving £2,527 to spend in 2022/23. |
| Middlesbrough Council | Middlesbrough Council awarded various funds during the previous and current year. Two funds had balances which were brought forward: <ul style="list-style-type: none"> • £2,500 – carers outreach programme paid for counselling and wellbeing centre staffing; • £11,584 – expenditure included website development and patient bed servicing. During 2021/22 funds totalling £12,863 were distributed to be used for infection prevention control, rapid testing, vaccination rollout and workforce retention. A separate grant of £15,000 was awarded for a wellbeing recovery programme which paid for clinical staffing and education. All funds were fully utilised by 31 March 2022. |
| Hadrian Trust | The Hadrian Trust again awarded £1,000 to be spent on bereavement counselling hours. |
| Rothley Trust | Rothley Trust kindly supported the servicing of our thermostatic mixing valves with £1,200. |
| Tees Valley Community Foundation | Kindly donated three separate amounts. £1,000 was in respect of counselling resources and £920 in respect of a laptop. The final amount of £2,491 is for uniforms and is carried forward at 31 March 2022. |
| Ruby & Will George Trust | Generously supporting our financial sustainability by contributing towards CIMA studies. A balance of £803 has been spent in April 2022. Also kindly supporting advanced palliative care studies in the sum of £2,250. |
| Warburtons | Warburton donated £400 which was used to provide refreshments within the clinical services. |
| D'Oyly Carte Charitable Trust | £3,000 was donated to be spent on therapy sessions. During the year this has funded Tai Chi and Yoga sessions for patients. |
| The William Leech Charity | A brought forward balance of £282 was transferred to unrestricted funds in 2021/22. |
| Elise Pilkington Charitable Trust | £1,500 was kindly donated to fund clinical IT needs. |
| Thirteen Group | £1,498 was spent on resources to support families with loved ones accessing clinical services. |
| Hospice Aid UK | £815 was spent on bespoke stethoscopes leaving a balance of £85 which was transferred to unrestricted donations. |
| City Fibre Holdings | £552 to boost wi-fi enabling better IT working within the hospice. |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

| | |
|-------------------------------|--|
| Arnold Clark Community Fund | £1,000 paid for 50 hours of counselling services. |
| Venator Material UK | £250 was donated to be spent on bereavement books and memory boxes. £151 is to spend in 2022/23. |
| Asda Foundation | £1,000 was donated to be spent on wellbeing activities and counselling hours. £430 remains to be spent on IPU equipment. |
| Masonic Charitable Foundation | An improving equality and diversity in hospice care project. £13,234 largely relates to salaries of specific posts with the aim of broadening access to Teesside Hospice for everyone. The project continues to 30 September 2022. |
| The Hospital Saturday Fund | £2,000 was donated to refresh staff uniforms with £375 carried forward to spend in 2022/23. |
| Neighbourly Community Fund | £1,800 purchased a sit on lawn mower to keep our grounds cared for. |
| Screwfix Foundation | £6,802 was donated to install a car park barrier. Once planning processes have been cleared with the local authority the installation will take place. |
| Hospital of God | £1,100 funded counselling hours and staff and volunteer wellbeing. |
| Middlesbrough & Stockton Mind | £800 was donated to be spent on fitness sessions. During the year this has funded Tai Chi and Yoga sessions for patients. |
| The Hedley Foundation | £2,112 purchased Doppler machines for the lymphoedema clinic. |
| NHS England | The NHSE awarded funding to allow the hospice to make capacity available to the NHS from December 2021 to March 2022. |

31 COMMITMENTS UNDER OPERATING LEASE COMMITMENTS

Group and charity

The group as a lessee:

The total future minimum lease payments under non-cancellable operating leases is set out below:

| | 2022 | 2021 |
|--------------------------------|---------------------------|--------------------|
| | Land and buildings | Land and buildings |
| | £ | £ |
| Operating leases which expire: | | |
| Within 1 year | 198,950 | 204,956 |
| Between 1 and 5 years | 661,401 | 718,418 |
| Greater than 5 years | 90,167 | 210,525 |
| | <u>950,518</u> | <u>1,133,899</u> |

The operating leases represent leases of premises. The leases are of varying terms.

Lease costs of £186,411 have been recognised as an expense in the year for the group and £205,011 for the charity. The trading subsidiary leases part of 408/410 Linthorpe Road from the charity which is removed from the group accounts.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

The charity as a lessor:

The total future minimum lease payments under non-cancellable leases is set out below:

| | 2022 | 2021 |
|--------------------------------|----------------------------|----------------------------|
| | Land and buildings £ | Land and buildings £ |
| Operating leases which expire: | | |
| Within 1 year | 19,200 | 18,000 |
| Between 1 and 5 years | 57,600 | 72,000 |
| | <hr/> 76,800 | <hr/> 90,000 |

The operating lease represents the lease of premises from Teesside Hospice Care Foundation to its wholly owned subsidiary Teesside Hospice (Trading) Limited.

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

| | 2022 | 2021 |
|------------------------------------|---------------|-----------------|
| | £ | £ |
| Net incoming movement in funds | 524,094 | 1,670,631 |
| Gain on revaluation of investments | (202,368) | (397,843) |
| Income from investments | (58,820) | (51,487) |
| Interest receivable | (14,660) | (23,624) |
| Depreciation | 80,591 | 85,241 |
| (Increase)/Decrease in stocks | (6,829) | 645 |
| Increase in debtors | (131,733) | (59,870) |
| Decrease in creditors | (63,996) | (14,576) |
| | <hr/> 126,279 | <hr/> 1,209,117 |

33 LEGAL STATUS OF THE CHARITY

Teesside Hospice Care Foundation is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

34 RELATED PARTY TRANSACTIONS

The Clinkard Group Limited

The group benefits from the kind support of The Clinkard Group Limited. Teesside Hospice (Trading) Limited and The Clinkard Group Limited share a common Director, T Payne. In the year ended 31 March 2022 £2,500 (2021: £2,500) was generously donated to assist fundraising activity.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

Hospice UK

David Smith, Chief Executive is a Trustee on the Board of Hospice UK. We pay annual membership fees of £1,285 (2021: £1,260) to Hospice UK. Hospice UK also administered NHS England funding of £130,000 (2021: £598,466) during the year.

ACEVO

David Smith, Chief Executive is a Trustee on the Board of ACEVO (Association of Chief Executives of Voluntary Organisations). We pay annual membership fees of £479 (2021: £367) to ACEVO.

Teesside Hospice (Trading) Limited

During the year, the charity engaged in the following transactions with the wholly owned trading subsidiary. At 31 March 2022 the unsecured amount owed to Teesside Hospice Care Foundation was £15,154.

| | Lottery Future Credits | Intercompany Account | Total |
|--------------------------------|------------------------|----------------------|---------------|
| As at 1 April 2021 | (81,657) | 18,495 | (63,162) |
| 410 Linthorpe Road office | - | 58,212 | 58,212 |
| Payroll | - | 609,146 | 609,146 |
| Gift Aid covenant | - | 813,610 | 813,610 |
| Gift Aided retail sales | - | 204,683 | 204,683 |
| Donor management charges | - | (169,330) | (169,330) |
| Amounts paid to incorrect bank | - | 21,318 | 21,318 |
| Paid | - | (1,459,323) | (1,459,323) |
| Transfer | 2,907 | (2,907) | - |
| As at 31 March 2022 | <u>(78,750)</u> | <u>93,904</u> | <u>15,154</u> |

Teesside Hospice (Trading) Limited operates the weekly lottery in which members pay in advance for future draws. The balance of £78,750 would be repayable at 31 March 2022 should the lottery cease. The funds have been remitted to Teesside Hospice Care Foundation in previous years. The above balance therefore represents the charity's liability to lottery members at the year end.

TEESSIDE HOSPICE CARE FOUNDATION

England & Wales - Charity number 512875

Accounts

Teesside Hospice Care Foundation
(A Company limited by guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 MARCH 2021

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2021

Statement from the Chief Executive

Established in 1982, Teesside Hospice is a charity working in partnership with the NHS and wider system delivering specialist palliative care, end of life care, day hospice activities, lymphoedema care and counselling services for adults and children across Teesside and parts of North Yorkshire. Our priority is to look after people, their families and carers who have complex or multiple needs and to provide support and expertise in end of life care. In addition, we provide specialist advice and support to other professionals on palliative and end of life care, offer specialised education and training and undertake research across our areas of work. Our Board of Trustees have close regard to our governing document to ensure our strategies and resources are focussed on helping people from all parts of our community, their wider family and continues into bereavement support when needed.

Our services are available free of charge to the people who need them. We are grateful for the financial support we receive from the NHS via South Tees Clinical Commissioning Group. The remainder of our income comes from our income generation activities; community fundraising, lottery, retail ventures and legacy donations. Our community care about Teesside Hospice and we in return are deeply thankful for their generous donations and support in whatever forms that takes.

Like most healthcare providers, our work this year has been overshadowed by Covid-19 and our drive to adapt to the changing needs of our population and system. I've been proud of the hospice response – from staffing, PPE and vaccines through to service redesign, IPC protocols and supporting system partners the team have reassessed priorities, acted effectively at pace ensuring all our services have remained accessible whilst maintaining quality, keeping our staff safe and specialist level palliative and end of life care remaining available throughout the crisis.

The crisis has allowed us to test our resilience plans, quality and governance structures and I am pleased that on reflection all have served us well.

Alongside Covid-19, the planned transformation of services has continued. With the appointment of Deborah Edwards as an experienced and well connected Director of Nursing and Quality we continue to reshape our services to focus on people who need specialist level support. We have worked well with partners to ensure that despite their own Covid-19 related difficulties we remain well integrated into the local health and social care system. A comprehensive review of our bereavement and counselling services has seen a significant change with complex grief and trauma now being the primary focus of our work. Our Teesside wide Lymphoedema service has managed growing demand by introducing new ways of working and our Wellbeing Service has taken learning from our experiences during Covid-19 to introduce different ways of supporting those who need our care. A comprehensive review of our inpatient unit will take place this year as we learn more about how our local Clinical Commissioning Groups and Integrated Care Systems will implement the new commissioning guidance for specialist level inpatient services.

If fully implemented, this new guidance brings huge potential for the hospice and those who need our care by removing the historic NHS deficits in inpatient funding and allow us to use the charitable donations we receive to develop new enhanced services that will allow people with terminal illnesses live their lives as well as possible, for as long as possible. We look forward to working closely with our partners across the system to make this happen.

We know that we are unable to meet the demand for palliative and end of life care alone. Covid-19 has shown us what we can do if we work differently and whilst the plans we highlight in this report are ambitious we will be renewing our efforts this year to further enhance the quality of our work by integrating, sharing and collaborating with our partners across the system.



David Smith
Chief Executive

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2021

Directors and Trustees

The directors of the charitable company (the charity) are its Trustees for the purpose of charity law. The Trustees and officers serving during the year and since the year end were as follows:

| | |
|------------------------------|--|
| Trustees: | E. Criddle - Chairperson M. C. Ellington (appointed 27/05/2021) M.P.R. Firman M. D. Flannery (appointed 27/05/2021) J.L. Fysh (resigned 28/08/2020) R.M. Jewell C. Langrick J. Malone (resigned 22/07/2020) T. Payne W.R. Pickersgill (resigned 18/09/2020) J. Sheridan E.M. Turner (resigned 01/02/2021) G. Whitehead |
| Secretary: | E.M. Turner (resigned 01/02/2021) |
| Key management personnel: | All Trustees as listed above and the Senior Management Team: Chief Executive – D. Smith Director of Nursing & Quality – D. Edwards (appointed 10/08/2020) Director of Nursing & Quality – M. Larkin (resigned 31/08/2020) Director of Income Generation – D. Coulson Finance Director – A. Wardle Workforce Development Manager – A. Doyle (appointed 01/06/2020) Head of Retail – C. McMahon |
| Company registration number: | 01642201 |
| Registered Charity number: | 512875 |
| Registered office: | 1 Northgate Road Linthorpe Middlesbrough TS5 5NW |
| Bankers: | Royal Bank of Scotland 31 Grey Street Newcastle Upon Tyne NE1 6ES |

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2021

Solicitors:

Jacksons Law
17 Falcon Court
Preston Farm Industrial Estate
Stockton on Tees
TS18 3TU

Auditor:

RSM UK Audit LLP
Chartered Accountants and Registered Auditors
1 St James' Gate
Newcastle Upon Tyne
NE1 4AD

Investment advisors:

Rathbone Investment Management
Earl Grey House
75-85 Grey Street
Newcastle
NE1 6EF

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2021

The Trustees are pleased to present their annual report together with the financial statements of the charity and group for the year ended 31 March 2021. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the organisation's Memorandum and Articles of Association and 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 (FRS 102) (effective 1 January 2015).

Objectives and activities

The principal objective of Teesside Hospice Care Foundation (THCF) during the year was that of providing hospice services for the public benefit. The hospice exists to enhance the quality of life for those suffering from life-limiting illness, and offers specialist palliative care and support to patients and carers, in the belief that each person is entitled to dignity and choice within the best provision of care.

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charities Commission. The Trustees have considered this guidance in shaping the charitable company's objectives for the year and planning current and future activities. Further details of the activities which provide public benefit are given below.

The hospice benefits the public by providing all of its services free of charge. The main catchment areas are Middlesbrough and Redcar & Cleveland. If it is appropriate, the Hospice accepts referrals from anywhere in the UK without prejudice. The clinical services at Teesside Hospice are provided for individuals with a life-limiting illness and this care is available regardless of their diagnosis. Although the majority of patients have advanced cancer, non-cancer diagnoses are also treated. Bereavement counselling services (adult and children) are accessible to any individual suffering from bereavement.

Teesside Hospice helps many members of the public each year and relies on other sources of income such as grants, donations and trading activities to cover its operating costs.

Strategic aim and objectives

The charity's strategic aim is to provide holistic palliative care at any point during a life-limiting illness. The majority of the charity's work focuses upon pain and symptom control and end of life care. All of the charitable activities are undertaken to further our charitable purposes for the public benefit and fully reflect the purposes that the charitable company was set up to further.

Teesside Hospice is greatly supported by the local community and relies on voluntary help. The Hospice has an established team of volunteers who offer their time to all areas of the hospice. The volunteers work side by side with paid staff and are a valued resource to the organisation, enabling lower staff costs than would otherwise be the case. The active volunteer workforce has reduced during the year throughout the year but the count including those we know are returning as services re-open is approximately 335.

Our strategic objectives are:

- To develop a wider needs led service that reaches more people who can benefit from our care through the development of strategic partnerships.
- Educate clinical colleagues and the general public about our services and about specialist palliative care.
- Improve care for local people with any type of life limiting illness.
- To develop our staff and volunteers and their skills to continue to serve the people of Teesside.

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2021

Activities for achieving objectives

The charity's range of specialist palliative care services include:

- Ten beds for Inpatient Care offering specialist palliative care and management of symptom control and end of life care
- Edward & Glenis Guy Day Hospice based at Teesside Hospice Care Foundation
- Adult Bereavement Counselling Services
- Children's and Young Adults' 'Forget-Me-Not' Bereavement Counselling Service
- Outpatient clinics
- Tees wide Lymphoedema clinics
- Working in partnership with specialist nurses.

Structure, governance and management

Governing document

Teesside Hospice Care Foundation is a charitable company limited by guarantee (incorporated 9 June 1982 No. 01642201) and as such is governed by its Memorandum and Articles of Association, last amended by special resolution dated 27 August 2020. It is registered as a charity with the Charity Commission (No. 512875). Members of the charitable company are the Trustees who have guaranteed liabilities of the company up to a maximum of £1 each.

Governing body

The charitable company has a Board of Trustees in accordance with its Articles of Association, who are required to serve as members of the charitable company. The Board is made up of the Trustees who are elected by the members at a Board meeting. Each Trustee is required to meet specifications concerning eligibility, personal competence, specialist skills and local availability.

Teesside Hospice (Trading) Limited is 100% owned by the Charity. The Trustees have no interest in the shares of the subsidiary company, other than as directors of the parent company.

Trustee recruitment, induction and training

Trustees are recruited through word of mouth or through advertising in the local press and on our own website.

Whilst new Trustees are often familiar with the work of the hospice, they are inducted into the working environment of the hospice. New Trustees receive a detailed induction, an explanation and discussion session is also held with both the Chairman and Chief Executive, where new Trustees are briefed on their legal obligations under both Company law and Charity Law. Trustees are also encouraged to spend time with Senior Managers from across the organisation and this has been found to be highly beneficial.

A programme of Trustee workshops took place in early 2019/20 with the purpose of reviewing organisational structure but to also aid learning and engagement and the first session focused on the Charity Governance Code which the Trustees have been introduced to as the benchmark for best practice. Covid-19 disrupted the ability to continue this programme. However, in 2020/21 the resulting new governance structure was implemented and in 2021/22 Trustees will continue workshops and aim towards adopting the Charity Governance Code.

All Trustees give their time voluntarily and receive no benefits from the charitable company. Any expenses reclaimed from the charitable company are set out in note 14 to the financial statements.

There are no longer any members of the Board of Trustees who have served a term longer than the recommended period of nine years and Board composition has been heavily reviewed in the last two years to ensure an appropriate skill mix is present.

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2021

Organisational structure

The Board currently consists of 9 Trustees who meet at least four times per year to determine both the general and strategic direction and policy of the charity, and to review its overall management and control for which they are legally responsible. Other sub-committees (finance & facilities, fundraising, workforce development, quality & performance) meet as appropriate to discuss relevant issues. All sub-committees report back to the Trustees and have Trustee representation. In addition, the Senior Management Team meet twice monthly. Each sub-committee has a mandate from the Board to receive, consider and agree policies on behalf of the Board with the exception of those policies deemed by the committee to be contentious or of particular significance to the organisational culture. In these cases, the chair of the committee will then have the responsibility of presenting the policy for discussion at the next Board Meeting or convening a special meeting of Board members if deemed necessary.

A Chief Executive is appointed by the Trustees to manage the day to day operations of the charity and responsibility for the provision of the services rests with the Chief Executive. A scheme of delegation is in place, ensuring that the charity delivers the services specified and the Chief Executive is aided in his duties by departmental managers.

Pay policy for key management personnel

The Trustees consider that key management comprise the charity's Trustees and the senior management team who are in charge of directing and controlling, running and operating the charity on a day to day basis. All Trustees give of their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in notes 14 and 34 to the accounts.

In 2015/16 the Trustees commissioned a Pay Review Group (PRG), the findings of which are now outdated. A new Pay Review Group has been set up to review the current pay structure. As part of the review, we will be considering how to overcome the problems presented by the annual National Living Wage increase which has gradually eroded the movement between salaries at the lower end of the scale. We will also be looking at how we can improve the career path for staff with a clearer progression framework as well as the whole reward package including sickness, holiday and pension schemes. The aim of the review is to provide a fair and equitable framework and a process which is transparent. An overarching factor in the review will be to work within the budget we have and not increase overall salary costs. The aim is to implement the new structure from 1 April 2022.

Staff

Teesside Hospice is committed to nil discrimination and encourages diversity. Our aim is to be truly representative of all sections of society and for each member of staff to feel respected and able to give their best. This policy extends beyond staff and volunteers to all service users, stakeholders and supporters.

The 'friends and family' questionnaire which was introduced in July 2017 continues to be repeated. This survey was completed by staff and volunteers in December 2020 and was repeated in July 2021. The results were as follows:

How likely are you to recommend Teesside Hospice to friends and family if they need care or treatment?

| December 2020 | Staff | | Volunteer | |
|-----------------|-------------|-----------------|-------------|-----------------|
| | % recommend | % not recommend | % recommend | % not recommend |
| 150 respondents | 100 | 0 | 94 | 0 |

How likely are you to recommend Teesside Hospice to friends and family as a place to work?

| December 2020 | Staff | | Volunteer | |
|-----------------|-------------|-----------------|-------------|-----------------|
| | % recommend | % not recommend | % recommend | % not recommend |
| 150 respondents | 90 | 2 | 91 | 2 |

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2021

Our fundraising practice

Teesside Hospice established a Fundraising Committee in 2019/20 to ensure that appropriate scrutiny and oversight has been applied to fundraising activity, performance and delivery. In addition to monitoring the development and implementation of fundraising activity, the Committee is responsible for monitoring financial performance. Development opportunities and future growth is debated, planned and actioned. The Committee meets quarterly whilst the SMT member of staff with day-to-day operational responsibility for fundraising activity (including lottery activity) is the Director of Income Generation. A fundraising strategy has been developed with the objective of maximising profitability whilst adapting to the current climate, maintaining visibility to the public and conducting income generation in an ethically sound manner. Teesside Hospice is registered with the Fundraising Regulator and is a member of the Hospice Lotteries Association. There have been no failures to comply with regulation nor have there been any complaints received. Risks associated with fundraising activity are continuously examined by inclusion in the operational risk register. We are considering using an external company to recruit new lottery members in 2021/22 and it will be ensured that their work is conducted in accordance with the agreed contract, reflecting the values and behaviours expected by Teesside Hospice. All staff and third parties receive training on protecting vulnerable individuals - if it is felt that a person is not capable of making an informed decision about supporting Teesside Hospice, e.g. because of mental health problems, learning disabilities or substance misuse relating to alcohol or drugs, attempts must not be made to sell any fundraising related product. Teesside Hospice operates an over 18s policy in respect of lottery membership and education is provided to staff on ways to spot a problem gambler.

Related parties

The charity's wholly owned subsidiary, Teesside Hospice (Trading) Limited is established to provide a trading arm to the charity. The principal activities of the subsidiary are that of lottery organiser and charity shopkeeper. The subsidiary gift aids all of its taxable profits to the charity. From 1 April 2020 the Fundraising and Marketing departments were transferred from the subsidiary to the parent company.

Strategic Report

Achievements and performance

The charitable company's policies in the pursuit of its objectives are kept under regular review. The Board of Trustees considers the activities of the company during the year to be satisfactory. The funds and resources are used entirely for its main objective. The movements in funds are described in the consolidated statement of financial activities on page 15.

The Quality and Performance Committee

The Quality and Performance Committee is designated by the Board of Trustees to oversee the development and implementation of the professional framework for nursing, medicine, allied health and social care disciplines at Teesside Hospice. Issues relating to national, regional and local policies are debated, ratified and actioned by the committee in line with the agreed terms of reference. Membership of the committee is made up of multi professional staff that all contribute to the success of the committee.

Sub groups are formed as required and report to the Quality and Performance Committee.

A new Director of Nursing & Quality has brought a fresh focus and renewed energy in driving forward quality improvement within the hospice with a continued drive to improve patient outcomes, work through boundaries to look at new ways to deliver services and to empower our clinical leads.

Teesside Hospice always strives to deliver excellent, much needed services to the local people and its success depends on the delivery of safe, responsive and effective care and how valued we are by the people that need us. We monitor the care we provide, seek assurances that we provide high standards of care and outline aspirations that support our delivery of the strategic aims.

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2021

Patient feedback is important to us so that we can continuously review our services and improve on what is available. An annual patient survey is undertaken and feedback is managed by the Clinical Audit & Quality Improvement Group. The outcome of the survey is shared widely within the organisation at the Quality and Performance Committee, Board of Trustees and summaries of the survey are shared in each department to inform patients, their families and other visitors to the organisation of the outcome of the survey. Furthermore, we have a suggestion box for visitor and patients to provide us with live feedback that this is reviewed each day and take action at the earliest opportunity.

The Care Quality Commission

Teesside Hospice is required to register with the Care Quality Commission (CQC) and its current registration status is for the following activities:

- Treatment of disease, disorder or injury
- Diagnostic and screening procedures
- Transport services, triage and medical advice provided remotely.

Teesside Hospice is registered with the following conditions:

- Services are provided for people over 18 years old
- The maximum of 10 patients may be accommodated overnight
- Notification in writing must be provided to the CQC at least one month prior to providing treatment or services not detailed in the Statement of Purpose.

The last unannounced routine inspection of Teesside Hospice took place on 16th March 2016. Our feedback was very positive and we received an overall rating of GOOD for our service. A small number of areas for improvement were highlighted e.g. a system to ensure that all fire points were tested as regularly as each other and these were easily addressed. No areas were rated as inadequate. On 8th February 2021, relevant members of the SMT had a Transitional Monitoring Approach (TMA) call with the CQC. Positive feedback was given and this did not result in any follow up action such as an immediate visit.

Inpatient Unit: There were 140 patients who received inpatient care with a variety of complex needs. The average length of stay for patients is 16 days. 43% of patients were discharged to their homes or a care home. 55% of patients received end of life care and 2% were discharged to the hospital/other services.

Day Hospice: Due to the pandemic, the Day Hospice (now known as the Wellbeing Centre) changed to virtual working and supporting patients in the form of individual telephone and video consultations. Zoom sessions were held for group support, relaxation, Be in Charge/CBT and art therapy. There were 1,687 patient contacts via telephone/video consultation and there were 123 Zoom groups with 630 attendees and 108 face to face contacts. The average length of attendance was 20 weeks.

Lymphoedema Service: The lymphoedema clinic received 436 referrals over the course of 2020/2021. There were 7,303 patient interactions including clinic/home visit appointments, advice calls and IPU patients seen. There were 1,285 patients on the lymphoedema clinic caseload in 2020/21.

Bereavement Counselling Service: From April 2020 to March 2021 there were 1,326 bereavement counselling appointments attended (1,244 adults and 82 children). These appointments were wither Face to Face counselling or Zoom counselling and were received from GPs, other agencies and also self-referrals. On 18th January 2021 we went live with a new online triage referral system via our own website. The average length of service use was 8 weeks.

Volunteers

Teesside Hospice has an established team of volunteers who offer their time to each department across both the Trading Company and the Charity. The current headcount is in the region of 335 volunteers working side by side with paid staff to support them to fulfil their duties (volunteer support was sadly effected in various ways from 23/03/20). Volunteers are a valued resource to the organisation and we recognise their commitment and value. The Board of Trustees and Trading Company Directors, who have uppermost authority for controlling the activities of Teesside Hospice are volunteers.

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2021

Financial review

The Financial Statements are prepared in accordance with Financial Reporting Standard 102 (FRS 102) and the Charities SORP (2015).

THCF has had a year of challenge and adaption, and has ultimately generated a surplus of £1,670,631 with a number of influencing factors. Of this surplus, £397,843 relates to an increase in the value of the investment portfolio and £1,272,788 is the excess of income over expenditure. Without legacy income this surplus would have been £410,215. We commenced the year with a deficit budget of £468,563 (excluding any legacy income or unrealised gain/loss on investment). However, the onset of the pandemic called for a revised budget and constant re-forecasting. The surplus for the year exceeds all expectations. The principal variances arose from: an NHS support package totalling £598,466; an additional £375,477 non-recurrent government funding (£238,361 Coronavirus Job Retention Scheme plus £137,116 Local Authority shop closure grants); insurance compensation of £170,000; donations outperforming expectations and legacy income totalling £862,573 in addition to considerable savings made in respect of salaries and supplies.

Donations and legacies have increased by £478,392 (34%). Legacy income is the largest contributor to this income heading and is very unpredictable. Legacy income totalled £862,573 which was an increase of £244,015 on the prior year. Donations have increased again in the year having received a fantastic response to our urgent appeal. Grants and Trusts have increased by £93,878 (110%) following the appointment of a Grants and Trusts Fundraiser. Charitable activities income has increased in total by £558,683 primarily due to the NHS support package. Investment income has decreased by £23,251 (24%) which is a result of falling interest rates. Other income totals £408,361 compared with £nil in the previous year and this comprises the CJRS and insurance income described above.

Expenditure on charitable activities has decreased by £249,426 which demonstrates the commitment to the control of expenditure.

Cash at bank and short term investments totals £3.7 million at 31 March 2021. The cash flow projection at the date the prior year's financial statements were signed forecasted £3.5 million.

The principal assets of the Hospice are buildings dedicated to the provision of Specialist Palliative Care Services which include the Inpatient Unit, the Wellbeing Centre and the Adult and Children's Bereavement Counselling Service. In February 2019 the Charity completed the purchase of land adjacent to the current Hospice buildings. The land was originally purchased as a strategic asset, to expand the Hospice's footprint providing forthcoming opportunity whilst protecting the site from alternative development. Our plans for this land link with the review the NHS are now conducting with regards to the sustainability and commissioning for palliative and end of life care. The land currently adds value to the overall grounds of the hospice land and buildings.

The Charity relies on the support of the local CCGs, the support of the community and its own commercial activities to continue operating. The Trustees continue to ensure the success of the Charity through close monitoring and control of clinical and support operations and close working with local partners to ensure their continued support. A key element in the management of financial risk is a regular review of funds on deposit, investments, legacy income due, debtors, creditors and working capital.

The net increase in unrestricted funds was £1,701,320 (2020: increase £195,982). Unrestricted funds are the operational reserves of the charity. The Trustees are undertaking a longer term review of financial planning including reliance on legacy income and thanks are expressed to all staff and volunteers of the hospice who have made tremendous efforts to keep running costs to a minimum whilst maintaining a high standard of care to patients and their families and a safe working environment for all staff and volunteers.

Commercial Activities

2020/21 has been a year like no other. A rollercoaster of income generation highs and lows which saw our retail stores closed for the majority of the year and our community & events income dissolve overnight.

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2021

Despite the challenges of an ever changing environment, a strategic leadership and dynamic workforce have shone and we have ended the year with the largest surplus in the charity's history.

This has been achieved by diversifying our income to individual giving and a Grants & Trusts focused model in the short term, embracing digital technology and maintaining strong communications with our supporter base and the wider public, ensuring they know why and how they can support us.

Highlights include:

- 44% increase in individual giving donations
- £93,000 generated from our urgent appeal
- 134% growth in Christmas campaigns
- During the 5 months of trading permitted, retail turnover exceeded the comparative like for like period
- Maintaining lottery membership and a 97% collection efficiency despite lockdown restrictions

Charitable Activities

Funding is provided by South Tees Clinical Commissioning Group and other Clinical Commissioning Groups. In recent years, the main grant received from South Tees CCG has seen no growth. In 2020/21, the contract value was uplifted by 1.3%. The number of patient interactions in the Lymphoedema service has varied due to the restrictions of Covid-19. The Hospice continues to work closely with the CCG in respect of this service.

It is recognised that legacies are a critical element of the charitable company's funding and the timing and amount of this income is uncertain. In the twelve years to date, the annual legacy income averages approximately £458k (excluding an exceptional legacy of £695,000 in 2014/15 which significantly increased income in that year). The Board of Trustees recognises the need to continue to develop a legacy strategy whilst also developing income from other sources.

Key Performance Indicators are as follows:

| | 2020/21 | 2019/20 |
|--|------------------------------------|-------------------------------|
| Change in NHS Standard contract value including CQUIN | 1.3% | 1.1% agreed post Year End |
| Increase in other NHS tariffs | To block contract | No change |
| Social media followers at year end – all platforms | 22,658 | 20,798 |
| Increase in total funds | £1,670,631 | £203,824 |
| Individual gifts in year (excludes retail sales and lottery membership) | 8,500 | 12,400 |
| Donors giving gifts in year | 4,200 | 5,200 |
| Number of legators included in income for the year | 20 | 17 |
| Number of active retail gift aid donors in year | 1,901 | 2,935 |
| Would you recommend the service - patient satisfaction survey IPU | Definitely 100% Never 0% | Definitely 100% Never 0% |
| Would you recommend the service - patient satisfaction survey Wellbeing Centre | Unable to complete due to Covid-19 | Definitely 98% Possibly 2% |

Risk management

Keeping patients, families, staff and visitors safe, as well as protecting the organisation, is a fundamental principle at Teesside Hospice and as such risk management is a high priority within the organisation.

The Board of Trustees has conducted a review of the major strategic, business and operational risks to which the hospice is exposed and has produced a corporate risk register. The Senior Management Team review and update the operational risk register on (at least) a quarterly basis.

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2021

Dashboards are also produced for each department and presented at committee meetings. If there are areas of concern, or risks are identified, they are discussed at the Risk, Health and Safety Sub-Committee (RHSC) meetings and action is taken to mitigate risks. The RHSC ensures policies, procedures, systems, controls and awareness programmes are in place to minimise risks. We also engage the services of an external consultancy company to add an additional layer of scrutiny.

The diverse nature of the group's activities mean THCF is exposed to numerous risks on a daily basis. Corporate risks include: damage to reputation, fraud, compliance issues, loss of funding and IT security. Each department has had input into the operational risk register which provides further control over day to day risks faced.

Teesside Hospice sets expectations that all employees and volunteers will comply with all laws and regulations governing our company's behavior. When this is not the case, information is reported up internally within the organisation to Senior Management and also shared with the Trustees, the external auditors and regulatory bodies as appropriate. Teesside Hospice takes compliance issues very seriously, investigating each one, and revisiting our operational controls. A full list of laws and regulations is maintained. Non-compliance is a major threat to the organisation which could result in patient services being closed or income generation being stopped.

The global spread of Covid-19 has significantly affected organisations and reducing the accompanying risks is key. The impact has demanded that risk constantly be reviewed and the risk register updated and presented to the Board of Trustees via the relevant Committees. Risks include visitor restrictions, PPE availability, staffing levels and more in addition to the financial consequences.

Reserves

In considering our policy on reserves, we have historically established a minimum and a maximum level of reserves required based on expenditure expected in the following twelve-month period. In 2020 a more nuanced policy, with an emphasis on a risk-based approach was developed.

The approach taken has been to split the reserves required into constituent parts. Firstly, to look at future forecasts in order to ascertain a working capital reserve. This encompassed looking at future budgets with no legacy income included which allows legacy income when received to be applied back to hospice developments. Next it was necessary to look at income risk i.e. the figure needed to manage and survive any unprecedented or unpredicted loss of revenue and not to be used to permanently fund budget deficits but to be used to manage in emergency circumstances. Finally, it was necessary to consider expenditure risk. Our risk register captures everything that would require us to draw on reserves, each risk has an estimated cost and cumulatively give rise to a need to draw on reserves should the risks become a reality.

Our acceptable balance of free reserves is reviewed annually by the Finance & Facilities Committee and moving into 2021/22 the risk based approach above has defined an acceptable level of £2,850,000.

The hospice group currently has free reserves of £3,239,685 (2020: £3,369,079). In calculating free reserves, the Trustees have excluded from total funds the restricted funds (£628,544), unrestricted tangible assets (£1,039,692), the fixed assets investment property (£110,000), the investment portfolio (£2,872,780) and designated funds (£900,000).

The above items must be excluded from total funds as it is essential to determine funds which are not subject to donor imposed conditions (restricted) and hence are freely available for general (unrestricted) purposes. Free reserves are the resources the charity has or can make available to spend, after allowing for fixed assets and future spending plans. For full details of the designated funds and restricted funds and see notes 29 and 30. The existing designated fund (named the development fund) was fully utilised by the end of January 2021.

Trustees have agreed the serious consideration of purchasing freehold property. It was decided that a property agent would be engaged to review commercial property acquisitions in the short to medium term. Presently, all of our retail stores are leased. The only exception to this is the premise at 410 Linthorpe Road which is owned by the charity. The lower floor is used for retail and the upper floor for office space.

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2021

The addition of freehold property into our portfolio would bring a long-term asset for the business whereas rent is investing in another person's asset. This would reduce our commitment to rent and should result in longer term capital gain. Of course, value of property can go down as well as up but each opportunity would be appraised on its own merits. For each prospect, all factors such as: the area; future potential; continued suitability; responsibility cost of owner's upkeep versus dilapidations would be assessed. At this point, a designated fund of £500k has been established for the purchase of commercial property. It may be that this designation is increased in the future, but the value of this designation would be sufficient for the coming financial year whilst we bear witness to the impact the pandemic has on the 2021/22 results.

In the longer term, a new business venture could be a viable option for investing reserves in order to strengthen income generation allowing us to continue to develop charitable operations. Due to the longer term nature of this plan, Trustees are giving this option attention on an annual basis. Until there is further clarity around the NHS funding review, and whilst the economy is recovering from the Covid-19 pandemic, Trustees are satisfied that there are no immediate plans and this form part of the future strategy. At the appropriate time for this type of investment, goals would need to be established so that opportunities can be assessed. Decisions would need to be made regarding the type of business i.e. remain with Healthcare using current skills and knowledge or diversify into new areas. A business plan would be required with a full assessment of risk versus return. Due diligence would need to be completed, with thought around the governance structure and tax consequences.

A set of five year forecasts was prepared using three scenarios ranging from best case to more prudent case scenario. Deficit budgets are forecasted and we accept that reserves will be needed whilst we work through the current economic situation and the reviews being conducted by the NHS. We continue to look for cost improvements and new revenue initiatives. The aim is to hold sufficient free reserves to cover deficits in the future. Therefore, the year to 31 March 2022 was considered independently. Despite the challenges of the Covid-19 pandemic, the year has seen very positive financial results. There has been substantial one-off income which will actually be required to support the hospice for a longer period than one year. Consequently, Trustees designated £400k to allow for the reduction in free reserves budgeted for 2021/22.

Investment powers and policy

Under the Memorandum and Articles of Association, the charity has the power to invest moneys not immediately required for its purposes, as thought fit, subject to good practice conditions. The Board of Trustees selects a group of Trustees to form the Finance & Facilities Committee, which in turn is responsible for overseeing the selection of professional investment advisors to aid the charity in identifying suitable investment for its funds.

£577k has been invested into the investment portfolio in the financial year. At the year end, the unrealised gain on investment holdings for the 2020/21 year amounted to £397,843 (2019/2020: loss £202,253).

Plans for future periods

Teesside Hospice is committed to the delivery of high quality care. That is care which is safe, effective and provides patients and carers with a positive experience. The priorities for quality improvement we have identified for 2021/22 are set out below. We have selected one that will impact directly on each of the three headings; patient safety, clinical effectiveness and patient experience.

- Improvement 1 – Patient Safety (Response to the relaxation of the Covid-19 pandemic)

Teesside Hospice has continued to provide services throughout the period of the current pandemic, including accepting patients who are Covid-19 positive. This has ensured that the people of Teesside have had access to much needed Complex Symptom Management and End of Life Care. The In -Patient Unit has remained open and other services including Day Hospice (Wellbeing Centre), Lymphoedema and Bereavement Counselling have been delivered virtually. Our Outreach Nurse practitioner has been able to visit patients in their own home when other community services have not.

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2021

Patient safety remains a high priority for Teesside Hospice. Over the last year, the safety of visitors and staff has also been the focus of ensuring the organisation is a safe place to visit or as a work place. The Covid-19 pandemic has had a significant impact on the way that hospice services are delivered. Practically, this has included, reducing the footfall into the building, developing new ways of entering and leaving the building, accessing and using personal protective equipment, sanitising stations and new signage. Safety of patients is paramount, so staff and visitor testing has been introduced and patient testing carried out when appropriate. Staff have positively engaged with the national roll out of the Covid-19 vaccination program.

As the numbers of Covid-19 infections fall, the adult population get vaccinated and there is relaxation of restrictions amongst the public, we have a duty to patients and their families to ensure we respond appropriately to these restrictions. We have kept patients, visitors and staff safe over the last year, so as we move forward it is imperative that our approach to relaxation of restrictions is safe, proportionate and compassionate, remembering that most of our patients have a limited life expectancy. We need to be mindful that at any time numbers can increase again depending on the emergence of new variants and wintertime peaks.

- **Improvement 2 – Clinical Effectiveness (Pain assessment and management)**

As a Specialist Palliative Care unit, Teesside Hospice receives many referrals for patients with uncontrolled and challenging pain. It is critical that we assess and manage pain effectively to ensure people can get on with living their lives focusing on what is most important to them. A wide range of approaches are required to manage pain effectively including medications, non-pharmacological interventions and psychological support. A significant number of patients require opioid medications to effectively manage their pain. Patient safety and ensuring that any side effects related to medication are kept to a minimum is of paramount importance to patient experience and outcomes. It is also important that we follow evidence based practice and national guidance such as recommendations from The National Institute for Health and Care Excellence (NICE) regarding use of Opioid medication. We already have good data in relation to pain management and outcomes for patients but we want to review and evaluate all aspects of pain assessment and management to identify any areas for further improvement.

- **Improvement 3 – Patient Experience (Remote virtual working)**

This aspiration of virtual working to become a permanent part of the care we deliver along with face to face care was agreed to ensure we are accessible to more patients and their families.

During the recent Covid-19 pandemic, the hospice had to re-think how they can support patients who are unable to come into the building. Initially this was done solely via telephone but gradually throughout the year we have increased our support to patients virtually through a variety of video communication devices for either 1-1 support or group sessions. During this time, we have begun to realise the potential for this style of communication and how it can be equally as beneficial as face to face in certain circumstances.

The plan is to incorporate virtual working permanently alongside our face to face services within the Wellbeing Centre, Lymphoedema Clinic and Bereavement Counselling Department. This new way of working will strengthen the support we have previously given allowing us to support potentially more patients and their families plus giving people an option of what style of care would be appropriate for their particular situation.

Other plans for the future

Since Covid-19 there have been many changes made at the hospice and in income generation departments. We now need to start to think about what the future looks like. Covid-19 has already changed the way we operate and will do so for a time to come. Social distancing, testing, PPE, remote working, digital advancements, budget deficits and further reduced income will all play a part and we await the outcome of the NHS End of Life Care funding review. We need to adapt our corporate objectives to take account of the myriad of influences to meet the rising costs of delivering high quality healthcare within the constraints detailed in this report.

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2021

Going concern

Forecasts have been prepared covering 12 months from the date of signing these financial statements. Trustees are satisfied that there are no material uncertainties in respect of going concern. Further detail is given on page 18.

Auditors

RSM UK Audit LLP has indicated its willingness to continue in office.

Statement of Trustees' responsibilities

The charity Trustees (who are also the directors of Teesside Hospice Care Foundation for the purpose of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group for that period.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure of information to auditors

In so far as the Trustees are aware

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the Trustees have all taken steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report was approved by the Trustees on ... *2nd September 2021* ... and signed on its behalf by

E Criddle
Trustee



**INDEPENDENT AUDITORS' REPORT TO THE INDEPENDENT MEMBERS OF
TEESSIDE HOSPICE CARE FOUNDATION
FOR THE YEAR ENDING 31 MARCH 2021**

Opinion

We have audited the financial statements of Teesside Hospice Care Foundation (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 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.

Other information

The other information comprises the information included in the Directors' and Trustees' Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Directors' and Trustees' 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.

**INDEPENDENT AUDITORS' REPORT TO THE INDEPENDENT MEMBERS OF
TEESSIDE HOSPICE CARE FOUNDATION
FOR THE YEAR ENDING 31 MARCH 2021**

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' and Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Directors' and Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Directors' and Trustees' Report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 11, 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 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 parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

**INDEPENDENT AUDITORS' REPORT TO THE INDEPENDENT MEMBERS OF
TEESSIDE HOSPICE CARE FOUNDATION
FOR THE YEAR ENDING 31 MARCH 2021**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operates in and how the group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, the parent charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Care Act 2014 and the Gambling Commission. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and reviewing income transactions around the year end to consider if it is recorded in the correct period.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



LUCY ROBSON (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

Date 9/9/2021

TEESSIDE HOSPICE CARE FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 March 2021

| | Note | 2021 Unrestricted funds £ | 2021 Restricted funds £ | 2021 Total £ | 2020 Total £ |
|---|-------|------------------------------------|----------------------------------|--------------------|--------------------|
| Income: | | | | | |
| Donations and legacies | 2 | 1,744,100 | 132,158 | 1,876,258 | 1,397,866 |
| Charitable activities | 3 | 1,302,413 | 659,352 | 1,961,765 | 1,403,082 |
| Other trading activities | 4 | 1,355,934 | - | 1,355,934 | 2,177,992 |
| Investments | 6 | 75,111 | - | 75,111 | 98,362 |
| Other income | 7 | 408,361 | - | 408,361 | - |
| Total income | | 4,885,919 | 791,510 | 5,677,429 | 5,077,302 |
| Expenditure: | | | | | |
| Raising funds: other trading activities | 8 | 1,395,249 | 1,835 | 1,397,084 | 1,414,242 |
| Charitable activities | 9 | 2,187,776 | 819,781 | 3,007,557 | 3,256,983 |
| Total expenditure | | 3,583,025 | 821,616 | 4,404,641 | 4,671,225 |
| Net income/(expenditure) before other gains/losses | | 1,302,894 | (30,106) | 1,272,788 | 406,077 |
| Net gain/(loss) on investments | | 397,843 | - | 397,843 | (202,253) |
| Net income/(expenditure) | | 1,700,737 | (30,106) | 1,670,631 | 203,824 |
| Gross transfers between funds | | 583 | (583) | - | - |
| Net movement in funds for the year | | 1,701,320 | (30,689) | 1,670,631 | 203,824 |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | 6,460,837 | 659,233 | 7,120,070 | 6,916,246 |
| Total funds carried forward | 29/30 | 8,162,157 | 628,544 | 8,790,701 | 7,120,070 |

The statement of financial activities includes all gains and losses recognised in the year.

All of the above amounts relate to continuing activities.

TEESSIDE HOSPICE CARE FOUNDATION

Company number 01642201

Registered Charity Number 512875

CONSOLIDATED AND CHARITY BALANCE SHEETS AT 31 MARCH 2021

| | Note | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|--|-------|--------------------|--------------------|----------------------|----------------------|
| Fixed assets | | | | | |
| Tangible assets | 18/19 | 1,631,547 | 1,709,093 | 1,602,355 | 1,671,011 |
| Investments | 20 | 3,027,529 | 2,068,400 | 3,027,531 | 2,068,402 |
| | | <u>4,659,076</u> | <u>3,777,493</u> | <u>4,629,886</u> | <u>3,739,413</u> |
| Current assets | | | | | |
| Stocks | 21 | 24,645 | 25,290 | 1,046 | - |
| Debtors | 22 | 784,746 | 724,876 | 726,332 | 590,221 |
| Short term investments | 23 | 1,824,622 | 2,243,900 | 1,824,622 | 2,243,900 |
| Cash at bank and in hand | | 1,928,823 | 794,298 | 1,831,397 | 713,850 |
| | | <u>4,562,836</u> | <u>3,788,364</u> | <u>4,383,397</u> | <u>3,547,971</u> |
| Creditors: amounts falling due within one year | 24 | <u>(421,274)</u> | <u>(445,787)</u> | <u>(326,924)</u> | <u>(301,684)</u> |
| Net current assets | | 4,141,562 | 3,342,577 | 4,056,473 | 3,246,287 |
| Total assets less current liabilities | | 8,800,638 | 7,120,070 | 8,686,359 | 6,985,700 |
| Creditors: amounts falling due after more than one year | 25 | <u>(9,937)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net assets | | <u>8,790,701</u> | <u>7,120,070</u> | <u>8,686,359</u> | <u>6,985,700</u> |
| The funds of the charity | | | | | |
| Unrestricted funds | 29 | 8,162,157 | 6,460,837 | 8,057,815 | 6,326,467 |
| Restricted funds | 30 | 628,544 | 659,233 | 628,544 | 659,233 |
| Total charity funds | 27 | <u>8,790,701</u> | <u>7,120,070</u> | <u>8,686,359</u> | <u>6,985,700</u> |

A separate Statement of Financial Activities for the Charity as an individual entity is not presented because the Charity has taken advantage of the exemption offered by Section 408 of the Charities Act 2006. The net incoming resources before gains and losses for the year for the Charity was £1,302,816 (2020: £349,437).

The financial statements were approved by the Board of Directors and authorised for issue on 20th September 2021, and signed on their behalf by:

E Criddle
Trustee



M Firman
Trustee



The accompanying accounting policies and notes form an integral part of these financial statements.

TEESSIDE HOSPICE CARE FOUNDATION**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended 31 March 2021

| | Note | 2021 £ | 2020 £ |
|---|-------------|-------------------------|-------------------------|
| Net cash flows from operating activities | 32 | 1,209,117 | 419,846 |
| Cash flows from investing activities | | | |
| Income from UK listed investments | | 45,187 | 59,188 |
| Income from other investment assets | | 6,300 | 6,300 |
| Interest received | | 23,624 | 32,874 |
| Purchase of property, plant and equipment | | (7,695) | (102,761) |
| Proceeds from sale of investments | | 554,873 | 437,913 |
| Purchase of financial investments | | (1,142,895) | (391,311) |
| | | <u>(520,606)</u> | <u>42,203</u> |
| Decrease/(Increase) in cash held in investment portfolio | | <u>26,736</u> | <u>(51,474)</u> |
| Net cash (used in) investing activities | | <u>(493,870)</u> | <u>(9,271)</u> |
| Increase in cash and cash equivalents in the year | | 715,247 | 410,575 |
| Cash and cash equivalents at the beginning of the year | | <u>3,038,198</u> | <u>2,627,623</u> |
| Total cash and cash equivalents at the end of the year | | <u>3,753,445</u> | <u>3,038,198</u> |
| Relating to: | | | |
| Cash at bank and in hand | | 1,928,823 | 794,298 |
| Short term investments | | <u>1,824,622</u> | <u>2,243,900</u> |
| Total cash and cash equivalents at the end of the year | | <u>3,753,445</u> | <u>3,038,198</u> |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

1 ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

BASIS OF ACCOUNTING

Teesside Hospice Care Foundation is a charitable company, limited by guarantee, registered in England. The address of the charity's registered office and principal place of business is 1 Northgate Road, Linthorpe, Middlesbrough, TS5 5NW.

Teesside Hospice Care Foundation meets the definition of a public benefit entity under FRS 102. The charity exists for the benefit of the public through the provision of hospice services to members of the public suffering from life-limiting illnesses.

These financial statements have been prepared in accordance with "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 2015) – (Charities SORP (FRS 102)), and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost of transaction value except for investments which are included at market value, and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' effective 1 January 2015 (Charities SORP (FRS 102)) and the Companies Act 2006.

REDUCED DISCLOSURE OPTIONS

In accordance with FRS102, the Charity has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 Statement of Cash Flows – presentation of a statement of cash flow and related notes and disclosures in relation to the Charity's own statement of cash flows. A consolidated statement of cash flows is presented in these financial statements.

GOING CONCERN

FRS 102 requires that, if appropriate, the charity's and group's financial statements are prepared on the going concern basis, which means that the organisation is able to operate for the foreseeable future on the basis of known and reasonable projected resources. There are no material uncertainties in respect of the charity's and group's ability to continue as a going concern.

This past year has been one of the most challenging for everyone but in particular, health and social care providers. Our approach to the Covid-19 pandemic has not only been clinically led but has been a whole organisational effort. The steps put in place has meant our staff have, and continue to be ready to support our local health and social care community should we be needed. We have managed to keep the site free from outbreaks of Covid-19 infection, which is due to the vigilance of staff from all areas of the hospice. Despite national lockdowns the hospice has remained operational to deliver high quality services. Our inpatient unit has remained fully open; the Lymphoedema service although initially reduced the services offered, following risk assessments for both staff and patients, the service resumed clinical activity in the summer; Bereavement Counselling and the Wellbeing Service utilised digital platforms to continue to support patients and their families. In spite of the challenges, we have managed to maintain the high standards of care delivery we are known for by being flexible and responsive. This will continue into the future.

Teesside Hospice (Trading) Limited had to temporarily close all charity shops throughout the three lockdown periods. They have since commenced trading from the 12th of April 2021. Staff were furloughed and income from charity shops ceased. The company has been able to access government support from both the Retail, Hospitality and Leisure Grant Fund and the Job Retention Scheme. The company has also benefited from an insurance claim relating to loss of retail income due to the pandemic.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

The 2021/22 budget has been produced under the assumption that there will be no further lockdowns and a full year of trading, although cautious assumptions have been made around the level of income. Retail activity will be monitored and a revised budget prepared if appropriate. Community and events fundraising also ceased as of 23/03/20 but as restrictions lift we are able to plan bringing these back into the portfolio. The organisation strives to develop new fundraising methods suitable to the current climate.

The effect of Covid-19 has been a test to every organisation's reserves policy. Measures are in place to ensure the financial impact is under constant review. The risk register has been fully updated to include the new exposures faced. The Trustees have prepared profit and loss forecasts and cash flow forecasts for the following 12 months and have reviewed the group's resources and have a reasonable expectation that the charity and group has adequate reserves to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

BASIS OF CONSOLIDATION

The financial statements consolidate the results of the charity and its wholly owned subsidiary undertaking, Teesside Hospice (Trading) Limited, on a line by line basis. All financial statements are made up to 31 March 2021, and consistent accounting policies are used.

A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

INCOME

Income is recognised in the statement of financial activities when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. The following policies are applied to particular categories of income:

Donations and legacies are received by way of grants, donations, legacies and gifts and are recognised where there is entitlement, receipt is probable and the amount can be measured with sufficient reliability.

Legacies are included when the charitable company is advised by the personal representatives of an estate, whereby probate has been granted, and that payment will be made or property transferred provided that sufficient information has been received to enable valuation of the charity's entitlement and hence the amount involved can be quantified.

Gifts in kind, which include donated drugs and dressings, is included as income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. The amount included in note 2 is £51,266 (2020: £51,996) of which £39,306 was drugs and dressings purchased then recharged to the CCG and £11,960 was the value of donated drugs and dressings. No income is recognised where there is no financial cost borne by a third party.

Income from charitable activities also include fees and grants received for services within contracts for operational programmes, and the income is recognised in the period in which it is receivable

Income from investments is included in the year in which it is receivable.

Income generated by the charitable company's sole subsidiary, is included within other trading activities income, and is included in the period in which the income is receivable. The charity lets a non-investment property to the trading subsidiary in furtherance of the charity's objects. Rental/service charge income and expenditure is removed on consolidation. The group also operates a donor procurement and management recharge agreement in relation to Retail Gift Aid donors. The income and expenditure is removed on consolidation.

Government grant income is recognised in the statement of financial activities when the group has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Where a grant is receivable as compensation for costs already incurred or for immediate financial support, with no future related costs, the grant is recognised as income in the period in which it is receivable.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

RESOURCES EXPENDED

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is included in the Statement of Financial Activities on an accruals basis inclusive of any VAT which cannot be fully recovered.

Costs of raising funds are those incurred in attracting voluntary income, and the costs of the trading subsidiary for fundraising purposes.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries, and includes both the direct costs and support costs relating to these activities and an apportionment of support and governance costs.

Certain expenditure is directly attributable to specific activities and have been included in these categories. Certain other support costs, which are attributable to more than one activity, are apportioned across costs categories using methods including floor space, activity and headcount.

OPERATING LEASE AGREEMENTS

The group as a lessee

The charity classifies the lease of properties as operating leases. Rental charges are charged to the statement of financial activities on a straight line basis of the period of the lease.

The group as lessor

Rental income from assets leased under operating leases is recognised on a straight line basis over the term of the lease.

FUNDS ACCOUNTING - The funds held by the charity are:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

Designated funds – these are funds that comprise general funds that have been set aside at the discretion of the trustees for specific purposes. The purpose and use of these designated funds is set out in the notes to the financial statements.

Restricted funds – these are funds that can only be used for particular funds within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

TANGIBLE FIXED ASSETS

Individual tangible fixed assets costing £5,000 or more are capitalised. Tangible fixed assets are initially measured at cost and subsequently measured at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

| | | |
|----------------------------------|---|--|
| Freehold buildings | - | Straight line over forty years |
| Freehold land | - | Nil |
| Leasehold improvements | - | Straight line over the term of the lease |
| Computer equipment | - | 33% straight line |
| Fixtures, fittings and equipment | - | 15%-25% straight line |
| Motor vehicles | - | 25% straight line |

INVESTMENTS

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in income and expenditure.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

Fixed asset investments held in the form of shares or securities are included at mid-market value at the balance sheet date.

Realised gains and losses on investments are calculated as difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the SOFA in the year of disposal.

Unrealised gains and losses represent the movement in the market values during the year and are credited to the statement or charged to the SOFA based on market value at the year end.

Fixed asset investment property is measured at fair value whilst a reliable measure of fair value is available without undue cost or effort. Changes in fair value are recognised in the SOFA.

Short term investments are deposits held in fixed term bank accounts on which penalties would be incurred if funds were withdrawn before maturity.

STOCK

Stock is valued at the lower of cost and net realisable value. Items donated for resale are included in the financial statements when they are sold.

DEBTORS

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

CASH AT BANK AND IN HAND

Cash at bank and cash in hand includes cash held at bank and cash held in short term investments.

CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

FINANCIAL INSTRUMENTS

The charity has elected to apply the provisions of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of FRS 102, in full to all of its financial instruments.

All of the charities financial assets and financial liabilities qualify as basis financial instruments. Basic Financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Financial assets: Trade and other debtors

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities: Trade and other creditors

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not resolved at the balance sheet date where transactions or events have occurred at that date will result in an obligation to pay more, or a right to pay less or to receive more tax with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be capitalised as an intangible fixed asset or a tangible fixed asset.

Employees are entitled to carry forward unused holiday entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employee's services are received.

Provision for termination benefits are recognised only when the company is demonstrably committed to terminate the employment of an employee, or a group of employees, before their normal retirement date or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

RETIREMENT BENEFITS

Multi-Employer Plan

The charitable company's clinical staff are eligible to contribute to the NHS pension scheme, an unfunded final salary scheme. Contributions are made by both the employer and the employee. The pension scheme is a multi-employer scheme. The charitable company is unable to identify its share of the underlying assets and liabilities of the scheme; the scheme is therefore accounted for as a defined contribution scheme in accordance with FRS102. Contributions are recognised as income and expenditure in the period to which they relate as there is insufficient information available to use defined benefit accounting.

Where applicable, a liability is recognised for contributions arising from an agreement with the multi-employer plan that determines how the charity will fund a deficit. Contributions are discounted when they are not expected to be settled wholly within 12 months of the period end.

Defined contribution plan

The charitable company also contributes to the personal pension scheme of certain other employees. The pensions costs charged in the financial statements represent the contribution payable by the charitable company during the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical areas of judgement

In categorising leases as finance leases or operating leases, management makes judgments as to whether significant risks and rewards of ownership have transferred to the charity as lessees, or the lessee, where the Charity is lessor.

Legacy recognition - legacies are recognised on a case by case basis after considering whether probate has been granted, and when the executor of the estate has communicated in writing both the amount and settlement date and hence there is sufficient information received to be able to value the charity's entitlement.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

2 DONATIONS AND LEGACIES

| | Unrestricted funds £ | Restricted funds £ | 2021 Total £ | 2020 Total £ |
|---------------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| General donations | 308,636 | 12,539 | 321,175 | 197,155 |
| Sponsored events | 192,802 | - | 192,802 | 163,582 |
| 'In Memory' donations | 132,346 | - | 132,346 | 89,998 |
| Edward Guy Foundation | 100,000 | - | 100,000 | 101,025 |
| Placements/teaching/solicitors claims | 17,568 | - | 17,568 | 17,262 |
| Catering contributions | - | - | - | 24,747 |
| Gift Aid on retail | 19,653 | - | 19,653 | 48,546 |
| Grants and trusts received | 59,256 | 119,619 | 178,875 | 84,997 |
| Legacies | 862,573 | - | 862,573 | 618,558 |
| Drugs from CCG | 51,266 | - | 51,266 | 51,996 |
| | <u>1,744,100</u> | <u>132,158</u> | <u>1,876,258</u> | <u>1,397,866</u> |
| 2020 total | <u>1,257,567</u> | <u>140,299</u> | <u>1,397,866</u> | |

Teesside Hospice has an established team of volunteers who offer their free time to the organisation. In accordance with FRS 102 and the Charities SORP (FRS 102) Section 6, the economic contribution of general volunteers is not recognised in the accounts in the absence of a reliable measurement basis. The current headcount approximately 335.

Following a review of the classification of income, it was felt that catering income of £3,462 (2020: £24,747) should be recognised within other trading activities as detailed in note 4 below. This source of income was recognised in donations and legacies in the year ended 31 March 2020 but will be recognised in trading activities in future.

3 INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted funds £ | Restricted funds £ | 2021 Total £ | 2020 Total £ |
|---------------------|----------------------------|--------------------------|--------------------|--------------------|
| South Tees CCG | 608,958 | - | 608,958 | 674,801 |
| Lymphoedema clinic | 619,309 | 60,886 | 680,195 | 655,662 |
| Other CCG recharges | 74,146 | - | 74,146 | 72,619 |
| NHS England | - | 598,466 | 598,466 | - |
| | <u>1,302,413</u> | <u>659,352</u> | <u>1,961,765</u> | <u>1,403,082</u> |
| 2020 total | <u>1,342,978</u> | <u>60,104</u> | <u>1,403,082</u> | |

4 OTHER TRADING ACTIVITIES

| | Unrestricted funds £ | 2021 Total £ | 2020 Total £ |
|--------------------------------------|----------------------------|--------------------|--------------------|
| Retail sales | 502,268 | 502,268 | 935,093 |
| Retail sales applicable for Gift Aid | 78,590 | 78,590 | 194,104 |
| Local authority grant funding | 137,116 | 137,116 | 155,000 |
| Fundraising | 67,674 | 67,674 | 321,367 |
| Lottery | 566,824 | 566,824 | 572,428 |
| Catering contributions | 3,462 | 3,462 | - |
| | <u>1,355,934</u> | <u>1,355,934</u> | <u>2,177,992</u> |

The income from other trading activities in 2020 all related to unrestricted funds. See catering narrative in note 2.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

5 TRADING SUBSIDIARY

The charity controls the company listed below by virtue of holding a controlling interest in the equity share capital:

| Name of subsidiary | Country of incorporation | % of equity share capital held |
|------------------------------------|---------------------------------|---------------------------------------|
| Teesside Hospice (Trading) Limited | England and Wales | 100 |

Teesside Hospice Group consists of two companies. The holding company is Teesside Hospice Care Foundation (Limited by Guarantee) and its 100% subsidiary is Teesside Hospice (Trading) Limited.

The subsidiary company, Teesside Hospice (Trading) Limited is incorporated in England & Wales and undertakes trading and fundraising activities. Company Number of Teesside Hospice (Trading) Limited is 02265205. Taxable profits from this company are donated to the Hospice by Gift Aid, a fact which is referred to in the trading company's publicity material. The activities of the subsidiary have been consolidated on a line by line basis in the SOFA. The group made the decision during the year to transfer two operational areas to the charitable parent company Teesside Hospice Care Foundation. The operations transferred to the charitable parent company on the 01/04/2020 were Fundraising and Marketing. This results in the Retail (charity shop) and Lottery activities remaining in Teesside Hospice (Trading) Limited.

Three members of the charity's Board of Trustees plus two members of the Senior Management Team sit on the board of the subsidiary.

The trading results of the subsidiary, as extracted from the audited financial statements, are summarised as follows:

| | 2021 | 2020 |
|---|----------------|----------------|
| | £ | £ |
| Turnover | 1,069,092 | 1,828,888 |
| Total expenditure | (1,103,140) | (1,431,747) |
| Other income | 530,356 | 155,000 |
| Taxation (deferred tax credit - reversal of timing differences) | - | - |
| Profit after tax for the year | 496,308 | 552,141 |

The assets and liabilities of Teesside Hospice (Trading) Limited were:

| | 2021 | 2020 |
|-------------------------|----------------|----------------|
| | £ | £ |
| Assets | 271,793 | 350,348 |
| Liabilities | (167,449) | (215,976) |
| Total net assets | 104,344 | 134,372 |

6 INVESTMENTS

| | Unrestricted funds | 2021 Total | 2020 Total |
|--------------------------------------|---------------------------|-------------------|-------------------|
| | £ | £ | £ |
| Income from UK investment properties | 6,300 | 6,300 | 6,300 |
| Income from UK listed investments | 45,187 | 45,187 | 59,188 |
| Bank interest receivable | 23,624 | 23,624 | 32,874 |
| | 75,111 | 75,111 | 98,362 |

The investments income in 2020 all related to unrestricted funds.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

7 OTHER INCOME

| | Unrestricted funds £ | 2021 Total £ | 2020 Total £ |
|-----------------------------|----------------------------|--------------------|--------------------|
| Job retention scheme (CJRS) | 238,361 | 238,361 | - |
| Insurance compensation | 170,000 | 170,000 | - |
| | <u>408,361</u> | <u>408,361</u> | <u>-</u> |

The other income in 2020 all related to unrestricted funds.

The group benefitted from the above Government financial assistance support package during the year, in addition to the NHS funding which was administered by Hospice UK detailed in note 3 and the local authority grants detailed in note 4. The local authorities distributed funding for business who were forced to close during lockdowns and the CJRS was paid to cover the costs of furloughed staff. There are no unfulfilled conditions or contingencies attached to the recognised grants.

8 RAISING FUNDS: COMMERCIAL TRADING ACTIVITY

| | Unrestricted Funds £ | Restricted funds £ | 2021 Total £ | 2020 Total £ |
|----------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Wages & salaries | 730,922 | - | 730,922 | 677,087 |
| Other costs | 638,911 | 1,835 | 640,746 | 715,443 |
| Depreciation | 8,890 | - | 8,890 | 6,367 |
| Investment management fees | 16,526 | - | 16,526 | 15,345 |
| | <u>1,395,249</u> | <u>1,835</u> | <u>1,397,084</u> | <u>1,414,242</u> |
| 2020 total | <u>1,414,242</u> | <u>-</u> | <u>1,414,242</u> | |

9 COSTS OF CHARITABLE ACTIVITIES – BY FUND TYPE

| | Unrestricted funds £ | Restricted funds £ | 2021 Total £ | 2020 Total £ |
|---------------------------|----------------------------|--------------------------|--------------------|--------------------|
| I P U | 1,224,756 | 713,493 | 1,938,249 | 1,968,765 |
| Day Hospice & Lymphoedema | 730,783 | 95,989 | 826,772 | 1,010,319 |
| Bereavement Counselling | 212,850 | 8,542 | 221,392 | 211,050 |
| Community | 1,791 | 1,757 | 3,548 | 43,183 |
| Governance costs | 17,596 | - | 17,596 | 23,666 |
| | <u>2,187,776</u> | <u>819,781</u> | <u>3,007,557</u> | <u>3,256,983</u> |
| 2020 total | <u>3,069,192</u> | <u>187,791</u> | <u>3,256,983</u> | |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

10 COSTS OF CHARITABLE ACTIVITIES – BY ACTIVITY

| | Direct wages £ | Support costs £ | Governance costs £ | 2021 Total £ | 2020 Total £ |
|---------------------------|-------------------|-----------------------|--------------------------|--------------------|--------------------|
| IPU | 1,298,592 | 639,657 | 11,258 | 1,949,507 | 1,983,879 |
| Day Hospice & Lymphoedema | 365,274 | 461,498 | 4,748 | 831,520 | 1,017,013 |
| Bereavement Counselling | 135,319 | 86,073 | 1,590 | 222,982 | 212,908 |
| Community | 3,548 | - | - | 3,548 | 43,183 |
| | <u>1,802,733</u> | <u>1,187,228</u> | <u>17,596</u> | <u>3,007,557</u> | <u>3,256,983</u> |

11 ANALYSIS OF GOVERNANCE AND SUPPORT COSTS

| | IPU £ | Day Hospice and Lymph- oedema £ | Bereavement Counselling £ | 2021 Total £ | 2020 Total £ |
|-----------------------|----------------|--|---------------------------------|--------------------|--------------------|
| Staff costs | 292,000 | 123,151 | 41,242 | 456,393 | 469,244 |
| Establishment | 135,781 | 83,540 | 32,330 | 251,651 | 173,028 |
| Training & HR | 11,882 | 5,011 | 1,678 | 18,571 | 22,695 |
| Drugs & dressing | 81,535 | 226,513 | - | 308,048 | 375,854 |
| Cleaning supplies | 9,306 | 3,489 | 584 | 13,379 | 16,825 |
| Kitchen supplies | 21,874 | - | - | 21,874 | 40,949 |
| Volunteer costs | 104 | 116 | 305 | 525 | 4,827 |
| Uniforms | 1,482 | 362 | 38 | 1,882 | 1,800 |
| Counselling resources | - | - | 2,043 | 2,043 | 12,250 |
| General expenses | 23,552 | 9,645 | 3,204 | 36,401 | 29,457 |
| Depreciation | 62,075 | 9,641 | 4,635 | 76,351 | 72,267 |
| Disposal proceeds | - | - | - | - | (400) |
| Irrecoverable VAT | 66 | 30 | 14 | 110 | 3,621 |
| Governance costs | 11,258 | 4,748 | 1,590 | 17,596 | 23,666 |
| | <u>650,915</u> | <u>466,246</u> | <u>87,663</u> | <u>1,204,824</u> | <u>1,246,083</u> |

12 GOVERNANCE COSTS

| | Unrestricted Funds £ | 2021 Total £ | 2020 Total £ |
|-----------------------------|----------------------------|--------------------|--------------------|
| Accountancy fees | 1,350 | 1,350 | 1,350 |
| Auditor remuneration | 14,950 | 14,950 | 10,700 |
| Legal and professional fees | 1,296 | 1,296 | 4,573 |
| Bank charges | - | - | 7,043 |
| | <u>17,596</u> | <u>17,596</u> | <u>23,666</u> |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

13 NET INCOMING RESOURCES FOR THE YEAR

| | 2021 | 2020 |
|--|-------------|---------|
| | £ | £ |
| Net incoming resources for the year are stated after charging: | | |
| RSM UK Audit LLP – Auditor’s remuneration | 14,950 | 10,700 |
| RSM UK Tax and Accounting Limited – Non audit services | 1,350 | 1,350 |
| Depreciation of owned fixed assets | 85,241 | 78,634 |
| Operating lease rentals – land and buildings | 173,136 | 172,819 |

14 ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND COST OF KEY MANAGEMENT PERSONNEL

| | Costs of raising funds | Charitable expenditure | 2021 Total | 2020 Total |
|-----------------------------|---------------------------|---------------------------|------------------|------------------|
| | £ | £ | £ | £ |
| Wages and salaries | 649,723 | 1,877,444 | 2,527,167 | 2,651,309 |
| Social security costs | 45,005 | 150,045 | 195,050 | 203,828 |
| Pension costs | 21,394 | 182,347 | 203,741 | 227,491 |
| Termination payments | 14,800 | 11,398 | 26,198 | 3,000 |
| Salaries paid via NHS Trust | - | 37,892 | 37,892 | 71,603 |
| | <u>730,922</u> | <u>2,259,126</u> | <u>2,990,048</u> | <u>3,157,231</u> |

Throughout 2020/21 it has been necessary to review the entire landscape of service delivery and fundraising mechanisms which resulted in the above termination payments.

Employees’ emoluments

The number of employees who earned more than £60,000 excluding company pension contributions during the year was as follows:

| | 2021 | 2020 |
|--------------------|-------------|----------|
| | Number | Number |
| £60,000 to £70,000 | <u>1</u> | <u>1</u> |

The number of higher paid employees accruing pension benefit was:

| | 2021 | 2020 |
|--|-------------|----------|
| | Number | Number |
| Defined contribution scheme – salary sacrifice arrangement | <u>1</u> | <u>1</u> |

Pension contributions paid in the year in respect of the above staff were £3,434 (2020: £3,361).

Key management personnel

The key management personnel of the group comprise those of the charity and the key management personnel of its wholly owned subsidiary Teesside Hospice (Trading) Limited. The total employee benefits of the key management personnel of the group were £295,427 (2020: £330,654).

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

Trustees' remuneration

The Trustees received no remuneration during the year (2020: £nil) and no Trustee individually received payment for professional or other services supplied to the charity (2020: £nil).

The aggregate amount of travel expenses reimbursed to the Trustees for the year was £nil (2020: £nil). The number of persons reimbursed was 0 (2020: 0).

15 STAFF NUMBERS

The average monthly numbers of employees during the year, was as follows:

| | 2021 Number (Headcount) | 2021 Number (FTE) | 2020 Number (Headcount) | 2020 Number (FTE) |
|-------------------|-------------------------------|-------------------------|-------------------------------|----------------------|
| Hospice services | | | | |
| IPU | 32 | 25 | 36 | 28 |
| Medical | 6 | 3 | 7 | 3 |
| Day Hospice | 5 | 3 | 9 | 4 |
| Administration | 17 | 13 | 19 | 13 |
| Kitchen | 4 | 3 | 4 | 3 |
| Cleaning | 7 | 4 | 7 | 4 |
| Bereavement | 3 | 2 | 3 | 2 |
| AHP | 5 | 2 | 6 | 3 |
| Establishment | 3 | 3 | 3 | 3 |
| Lymphoedema | 8 | 6 | 8 | 6 |
| | <u>90</u> | <u>64</u> | <u>102</u> | <u>69</u> |
| Income generation | <u>37</u> | <u>32</u> | <u>37</u> | <u>31</u> |
| | <u>127</u> | <u>96</u> | <u>139</u> | <u>100</u> |

On average 6 bank staff are used per month.

The Hospice is recharged by South Tees Hospitals NHS Foundation Trust and Tees Esk & Wear Valleys NHS Foundation Trust for the salaries of employees as follows:

| | 2021 Number | 2020 Number |
|-----|----------------|----------------|
| AHP | <u>3</u> | <u>3</u> |

16 TAXATION

The company is a registered charity and is exempt from tax on income and gains falling within sections 466 to 493 of the Corporation Tax Act 2010 or section 256 of the Taxable Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

The trading subsidiary is liable to corporation tax on their taxable profits. Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

17 FINANCIAL PERFORMANCE OF THE CHARITY

A separate Statement of Financial Activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006. The net incoming resources before gains and loss for the year for the charity was £1,302,816 (2020: £349,437).

18 TANGIBLE FIXED ASSETS – GROUP

| | Freehold buildings £ | Leasehold improvements £ | Freehold land £ | Fixtures, fittings and equipment £ | Motor vehicles £ | Total £ |
|------------------------|-------------------------|-----------------------------|--------------------|---------------------------------------|---------------------|-------------------------|
| Cost | | | | | | |
| At 1 April 2020 | 2,358,751 | 35,542 | 556,439 | 318,767 | 35,368 | 3,304,867 |
| Additions | - | - | - | 7,695 | - | 7,695 |
| Disposals | - | (3,440) | - | (8,954) | - | (12,394) |
| At 31 March 2021 | <u>2,358,751</u> | <u>32,102</u> | <u>556,439</u> | <u>317,508</u> | <u>35,368</u> | <u>3,300,168</u> |
| Depreciation | | | | | | |
| At 1 April 2020 | 1,304,375 | 35,542 | - | 220,489 | 35,368 | 1,595,774 |
| Charge for the year | 58,100 | - | - | 27,141 | - | 85,241 |
| Disposals | - | (3,440) | - | (8,954) | - | (12,394) |
| At 31 March 2021 | <u>1,362,475</u> | <u>32,102</u> | <u>-</u> | <u>238,676</u> | <u>35,368</u> | <u>1,668,621</u> |
| Net book values | | | | | | |
| At 31 March 2021 | <u>996,276</u> | <u>-</u> | <u>556,439</u> | <u>78,832</u> | <u>-</u> | <u>1,631,547</u> |
| At 31 March 2020 | <u>1,054,376</u> | <u>-</u> | <u>556,439</u> | <u>98,278</u> | <u>-</u> | <u>1,709,093</u> |

Freehold buildings consist of:

| | Cost 2021 £ | Cost 2020 £ | Net book value 2021 £ | Net book value 2020 £ |
|---|-------------------------|-------------------|--------------------------------|--------------------------------|
| Teesside Hospice | 1,475,538 | 1,475,538 | 591,814 | 628,703 |
| Day Care Centre Extension and Education Block | 693,213 | 693,213 | 315,399 | 331,860 |
| 410 Linthorpe Road | 190,000 | 190,000 | 89,063 | 93,813 |
| Total | <u>2,358,751</u> | <u>2,358,751</u> | <u>996,276</u> | <u>1,054,376</u> |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

19 TANGIBLE FIXED ASSETS – CHARITY

| | Freehold buildings £ | Freehold land £ | Fixtures, fittings and equipment £ | Motor vehicles £ | Total £ |
|-----------------------------|----------------------------|-----------------------|---|------------------------|------------------|
| Cost | | | | | |
| At 1 April 2020 | 2,358,751 | 556,439 | 185,477 | 35,368 | 3,136,035 |
| Additions | - | - | 7,695 | - | 7,695 |
| Transferred from subsidiary | - | - | 27,601 | - | 27,601 |
| At 31 March 2021 | 2,358,751 | 556,439 | 220,773 | 35,368 | 3,171,331 |
| Depreciation | | | | | |
| At 1 April 2020 | 1,304,375 | - | 125,281 | 35,368 | 1,465,024 |
| Charge for the year | 58,100 | - | 18,251 | - | 76,351 |
| Transferred from subsidiary | - | - | 27,601 | - | 27,601 |
| At 31 March 2021 | 1,362,475 | - | 171,133 | 35,368 | 1,568,976 |
| Net book values | | | | | |
| At 31 March 2021 | 996,276 | 556,439 | 49,640 | - | 1,602,355 |
| At 31 March 2020 | 1,054,376 | 556,439 | 60,196 | - | 1,671,011 |

Freehold buildings consist of:

| | Cost 2021 £ | Cost 2020 £ | Net book value 2021 £ | Net book value 2020 £ |
|---|-------------------|-------------------|--------------------------------|--------------------------------|
| Teesside Hospice | 1,475,538 | 1,475,538 | 591,814 | 628,703 |
| Day Care Centre Extension and Education Block | 693,213 | 693,213 | 315,399 | 331,860 |
| 410 Linthorpe Road | 190,000 | 190,000 | 89,063 | 93,813 |
| Total | 2,358,751 | 2,358,751 | 996,276 | 1,054,376 |

All tangible fixed assets are held for charitable purposes.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

20 FIXED ASSET INVESTMENT – GROUP AND CHARITY

| | Listed investments £ | Investment properties £ | Cash held as part of the investment portfolio £ | Total £ |
|---|----------------------------|-------------------------------|---|------------------|
| Valuation | | | | |
| At 1 April 2020 | 1,886,915 | 110,000 | 71,485 | 2,068,400 |
| Additions | 1,142,895 | - | 1,114,560 | 2,257,455 |
| Disposals | (554,873) | - | (1,141,296) | (1,696,169) |
| Unrealised gain on revaluation of investments | 397,843 | - | - | 397,843 |
| | <u>2,872,780</u> | <u>110,000</u> | <u>44,749</u> | <u>3,027,529</u> |
| At 31 March 2021 | | | | |
| Historical cost as at 31 March 2021 | <u>2,354,223</u> | <u>92,500</u> | <u>44,749</u> | <u>2,491,472</u> |

In addition to the above, the charitable company holds a £2 investment in the share capital of Teesside Hospice (Trading) Limited.

All fixed asset investments are held within the United Kingdom.

Investment properties were professionally revalued as at 31 March 2021 by Browns Estate Agency Limited, Chartered Surveyors, on an open market basis. Browns Estate Agency Limited are not connected with the group.

21 STOCKS

| | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|--------|--------------------|--------------------|----------------------|----------------------|
| Stocks | <u>24,645</u> | <u>25,290</u> | <u>1,046</u> | <u>-</u> |

22 DEBTORS

| | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|---|--------------------|--------------------|----------------------|----------------------|
| Trade debtors | 11,875 | 15,569 | 11,875 | 15,569 |
| Amounts due from subsidiary undertaking | - | - | - | 71,873 |
| Other debtors | 39,402 | 162,556 | 11,004 | 5,671 |
| VAT receivable | 28,098 | 15,277 | 14,750 | 8,475 |
| Prepayments and accrued income | 705,371 | 531,474 | 688,703 | 488,633 |
| | <u>784,746</u> | <u>724,876</u> | <u>726,332</u> | <u>590,221</u> |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

23 SHORT TERM INVESTMENTS

| | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|-----------------------------|--------------------|--------------------|----------------------|----------------------|
| Cash equivalents on deposit | 1,824,622 | 2,243,900 | 1,824,622 | 2,243,900 |

24 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Trade creditors | 69,516 | 61,023 | 50,639 | 27,732 |
| Amounts owed to group undertakings | - | - | 63,162 | - |
| Other tax and social security | 48,575 | 47,594 | 48,575 | 47,594 |
| Other creditors | 30,711 | 35,599 | 26,605 | 33,333 |
| Accruals and deferred income | 272,472 | 301,571 | 137,943 | 193,025 |
| | <u>421,274</u> | <u>445,787</u> | <u>326,924</u> | <u>301,684</u> |

| | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|-------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Deferred income | | | | |
| Deferred income brought forward | 257,794 | 367,882 | 176,757 | 276,740 |
| Resources deferred in the year | 122,962 | 82,794 | 10,200 | 1,757 |
| Amounts released from previous year | (182,794) | (192,882) | (101,757) | (101,740) |
| Deferred income carried forward | <u>197,962</u> | <u>257,794</u> | <u>85,200</u> | <u>176,757</u> |

Deferred income in the charity primarily consists of £75,000 received from The Edward Guy Foundation. £425,000 was donated to Teesside Hospice in March 2018 to continue to support the hospice for a further four years. £100,000 is recognised in the year to 31 March 2021 with the final £75,000 in the year to 31 March 2022. Deferred income in the group includes £112,762 in respect of lottery membership payments paid in advance for future draws.

25 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|-------------------|--------------------|--------------------|----------------------|----------------------|
| Lease liabilities | <u>9,937</u> | <u>-</u> | <u>-</u> | <u>-</u> |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

26 FINANCIAL INSTRUMENTS

| | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|---|--------------------|--------------------|----------------------|----------------------|
| FINANCIAL ASSETS | | | | |
| Debt instruments measured at amortised cost: | | | | |
| Trade debtors | 11,875 | 15,569 | 11,875 | 15,569 |
| Other debtors | 37,517 | 160,671 | 11,004 | 5,671 |
| Accrued income | 636,506 | 468,941 | 636,506 | 468,941 |
| TOTAL | 685,898 | 645,181 | 659,385 | 490,181 |
| FINANCIAL LIABILITIES | | | | |
| Measured at amortised cost: | | | | |
| Trade creditors | 69,516 | 61,023 | 50,639 | 27,732 |
| Other creditors | 30,711 | 35,599 | 26,605 | 33,333 |
| Accruals | 74,510 | 43,777 | 52,743 | 16,268 |
| Rent liabilities due after more than one year | 9,937 | - | - | - |
| TOTAL | 184,674 | 140,399 | 129,987 | 77,333 |

27 ANALYSIS OF NET ASSETS BETWEEN FUNDS – GROUP

| | Unrestricted funds £ | Restricted funds £ | Total funds 2021 £ | Total funds 2020 £ |
|--|----------------------------|--------------------------|--------------------------|--------------------------|
| Fund balances at 31 March 2021 represented by: | | | | |
| Tangible fixed assets | 1,039,692 | 591,855 | 1,631,547 | 1,709,093 |
| Investment assets | 3,027,529 | - | 3,027,529 | 2,068,400 |
| Current assets | 4,526,147 | 36,689 | 4,562,836 | 3,788,364 |
| Current liabilities and provisions | (431,211) | - | (431,211) | (445,787) |
| | 8,162,157 | 628,544 | 8,790,701 | 7,120,070 |
| 2020 total | 6,460,837 | 659,233 | 7,120,070 | |

ANALYSIS OF NET ASSETS BETWEEN FUNDS – CHARITY

| | Unrestricted funds £ | Restricted funds £ | Total funds 2021 £ | Total funds 2020 £ |
|--|----------------------------|--------------------------|--------------------------|--------------------------|
| Fund balances at 31 March 2021 represented by: | | | | |
| Tangible fixed assets | 1,010,500 | 591,855 | 1,602,355 | 1,671,011 |
| Investment assets | 3,027,531 | - | 3,027,531 | 2,068,402 |
| Current assets | 4,346,708 | 36,689 | 4,383,397 | 3,547,971 |
| Current liabilities and provisions | (326,924) | - | (326,924) | (301,684) |
| | 8,057,815 | 628,544 | 8,686,359 | 6,985,700 |
| 2020 total | 6,326,467 | 659,233 | 6,985,700 | |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

28 RETIREMENT BENEFITS

The trading company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The contributions payable by the company charged to income and expenditure amounted to £13,954 (2020: £20,120).

The group also operates the same defined contribution pension scheme for employees of the charity and in addition, participates in a multi-employer pension plan, being the NHS Pension Scheme. The assets of the scheme are held separately from those of the charity in independently administered funds. Furthermore, the group participates in the Pensions Trust Growth Plan, Series 4, a defined contribution pension scheme.

Total pension contributions payable by the group charged to income and expenditure amounted to £203,741 (2020: £227,491). Pension costs have been allocated based on the member of staff to whom the cost relates and the department they work in. Total contributions for all three pension schemes totalling £26,525 (2020: £33,333) were payable to the fund at the year end and are included in creditors.

NHS Pension Scheme

The NHS Pension Scheme ('the scheme') is an unfunded, multi-employer defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable participating bodies to identify their share of the underlying Scheme assets and liabilities. Therefore, the Scheme is accounted for as if it were a defined contribution scheme: the cost to the charity of participating in the Scheme is taken as equal to the contributions payable to the Scheme for the accounting period.

At the balance sheet date there were 28 active members of the Scheme employed by the charity.

The 1995 and 2008 Schemes are "final salary" schemes. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last 3 years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. The 2015 Scheme is a career average re-valued earnings scheme with annual pension based on 1/54th of each years pensionable earnings as re-valued by Treasury rates. With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in consumer prices in the twelve months ending 30 September in the previous calendar year. On death, a pension of 50% of the member's pension is normally payable to the surviving spouse.

The Scheme is subject to a full actuarial valuation every four years, and an FRS102 accounting valuation every year. In March 2019 a consultation response was published which increased the employer contribution rate to 20.68% (including an administration levy) from 1 April 2019. For the first three years the employer will pay at the existing rate of 14.38% with the balance being funded by government.

The valuation of scheme liability in accordance with FRS102 is carried out annually by the Scheme Actuary. The latest assessment of the liabilities of the Scheme is contained in the Scheme Actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Resource Accounts, published annually. These accounts can be viewed on the NHS Pensions website.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

29 UNRESTRICTED FUNDS – GROUP

| | At 1 April 2019 £ | Incoming resources £ | Outgoing resources £ | Gains, losses & transfers £ | At 31 March 2020 £ |
|-------------------------------|-------------------------|----------------------------|----------------------------|-----------------------------------|-----------------------------|
| 2019/20 | | | | | |
| General reserves | | | | | |
| Charity | 5,903,035 | 3,048,011 | (3,133,391) | 487,767 | 6,305,422 |
| Non- charitable trading funds | 77,730 | 1,828,888 | (1,276,747) | (495,501) | 134,370 |
| Total General reserves | 5,980,765 | 4,876,899 | (4,410,138) | (7,734) | 6,439,792 |
| Designated development fund | 284,090 | - | (73,296) | (189,749) | 21,045 |
| Designated property fund | - | - | - | - | - |
| | <u>6,264,855</u> | <u>4,876,899</u> | <u>(4,483,434)</u> | <u>(197,483)</u> | <u>6,460,837</u> |

| | At 1 April 2020 £ | Incoming resources £ | Outgoing resources £ | Gains, losses & transfers £ | At 31 March 2021 £ |
|-------------------------------|-------------------------|----------------------------|----------------------------|-----------------------------------|-----------------------------|
| 2020/21 | | | | | |
| General reserves | | | | | |
| Charity | 6,305,422 | 3,286,471 | (2,459,746) | 25,668 | 7,157,815 |
| Non- charitable trading funds | 134,370 | 1,599,448 | (1,103,140) | (526,336) | 104,342 |
| Total General reserves | 6,439,792 | 4,885,919 | (3,562,886) | (500,668) | 7,262,157 |
| Designated development fund | 21,045 | - | (20,139) | (906) | - |
| Designated property fund | - | - | - | 500,000 | 500,000 |
| Designated deficits fund | - | - | - | 400,000 | 400,000 |
| | <u>6,460,837</u> | <u>4,885,919</u> | <u>(3,583,025)</u> | <u>398,426</u> | <u>8,162,157</u> |

UNRESTRICTED FUNDS – CHARITY ONLY

| | At 1 April 2019 £ | Incoming resources £ | Outgoing resources £ | Gains, losses & transfers £ | At 31 March 2020 £ |
|-----------------------------|-------------------------|----------------------------|----------------------------|-----------------------------------|-----------------------------|
| 2019/20 | | | | | |
| General reserves | 5,903,035 | 3,569,912 | (3,159,791) | (7,734) | 6,305,422 |
| Designated development fund | 284,090 | - | (73,296) | (189,749) | 21,045 |
| Designated property fund | - | - | - | - | - |
| | <u>6,187,125</u> | <u>3,569,912</u> | <u>(3,233,087)</u> | <u>(197,483)</u> | <u>6,326,467</u> |

| | At 1 April 2020 £ | Incoming resources £ | Outgoing resources £ | Gains, losses & transfers £ | At 31 March 2021 £ |
|-----------------------------|-------------------------|----------------------------|----------------------------|-----------------------------------|-----------------------------|
| 2020/21 | | | | | |
| General reserves | 6,305,422 | 3,831,407 | (2,478,346) | (500,668) | 7,157,815 |
| Designated development fund | 21,045 | - | (20,139) | (906) | - |
| Designated property fund | - | - | - | 500,000 | 500,000 |
| Designated deficits fund | - | - | - | 400,000 | 400,000 |
| | <u>6,326,467</u> | <u>3,831,407</u> | <u>(2,498,485)</u> | <u>398,426</u> | <u>8,057,815</u> |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

| Name of unrestricted fund | Description, nature and purposes of the fund |
|---------------------------|--|
| General reserves | The general reserves represent the free funds of the charity which are not designated for any particular purpose. |
| Designated funds | <p>In previous years, the Trustees agreed that Teesside Hospice have a Development Fund to enable steady growth and development of existing and new clinical services. Several successful projects commenced and have now been incorporated into the general budget of the hospice where there was sufficient evidence to warrant the continuation of funding. The expenditure in 20/21 represents one month of the Dementia Admiral Nurse post (which has not continued from 30/04/20) and 10 months of the Outreach Nurse Practitioner post which was joint funded with Macmillan Cancer Support until 31/01/21 when this post was integrated into mainstream activities.</p> <p>In March 2021 Trustees agreed to designate £500,000 for the purchase of commercial property, further details of which are given in the reserves policy. At this time Trustees also agreed that, despite the challenges faced in the year to 31 March 2021, the year has seen very positive financial results due to one-off government assistance. This non-recurrent income will be required to support the hospice for a longer period of time than the 2020/21 financial year. Therefore, £400,000 was designated to be used against the 2021/22 budgeted deficit.</p> |

30 RESTRICTED FUNDS – GROUP AND CHARITY

| | At 1 April 2019 £ | Incoming resources £ | Outgoing resources £ | Gains, losses & transfers £ | At 31 March 2020 £ |
|-------------------------------|----------------------------|----------------------------|----------------------------|--------------------------------------|-----------------------------|
| 2019/20 | | | | | |
| Building Fund | 613,853 | - | (31,408) | - | 582,445 |
| Local CCGs | - | 60,104 | (60,104) | - | - |
| Macmillan Cancer Support | - | 21,786 | (21,257) | - | 529 |
| Dementia UK | - | 21,062 | (21,062) | - | - |
| Individual Supporters | - | 12,441 | (11,575) | (283) | 583 |
| Edward Guy Foundation | 17,000 | 1,025 | (1,025) | - | 17,000 |
| Groundwork UK | - | 258 | (258) | - | - |
| Hospice N. East Collaborative | - | 19,135 | (19,135) | - | - |
| Patient Comfort Appeal | 20,538 | 41,483 | (5,831) | (3,339) | 52,851 |
| Outreach Nurse Appeal | - | 7,353 | (2,426) | - | 4,927 |
| The Mike Findley MND Fund | - | 3,000 | (1,852) | (1,148) | - |
| The Pearl & Trevor Low Fund | - | 3,000 | (2,102) | - | 898 |
| The Centenary Fund | - | 9,756 | (9,756) | - | - |
| | <u>651,391</u> | <u>200,403</u> | <u>(187,791)</u> | <u>(4,770)</u> | <u>659,233</u> |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

| 2020/21 | At 1 April 2020 £ | Incoming resources £ | Outgoing resources £ | Gains, losses & transfers £ | At 31 March 2021 £ |
|----------------------------------|----------------------------|----------------------------|----------------------------|--------------------------------------|-----------------------------|
| Building Fund | 582,445 | - | (31,408) | - | 551,037 |
| Local CCGs | - | 60,886 | (60,886) | - | - |
| Macmillan Cancer Support | 529 | 17,322 | (17,322) | - | 529 |
| Dementia UK | - | 1,757 | (1,757) | - | - |
| Individual Supporters | 583 | 670 | (1,253) | - | - |
| Edward Guy Foundation | 17,000 | - | - | - | 17,000 |
| Patient Comfort Appeal | 52,851 | - | (11,662) | (370) | 40,819 |
| Outreach Nurse Appeal | 4,927 | 11,869 | (16,796) | - | - |
| The Pearl & Trevor Low Fund | 898 | - | (288) | - | 610 |
| Ballinger Trust | - | 1,000 | (1,000) | - | - |
| Jack Brunton Trust | - | 2,878 | (2,878) | - | - |
| Middlesbrough Council | - | 21,174 | (7,090) | - | 14,084 |
| Hadrian Trust | - | 1,000 | (1,000) | - | - |
| Co Durham Community Foundation | - | 14,550 | (14,357) | (193) | - |
| Rothley Trust | - | 1,500 | (1,500) | - | - |
| Tees Valley Community Foundation | - | 1,750 | (1,730) | (20) | - |
| Community Foundation Tyne & Wear | - | 2,878 | (2,878) | - | - |
| Ruby & Will George Trust | - | 2,500 | (1,317) | - | 1,183 |
| Morrisons Foundation | - | 3,093 | (3,093) | - | - |
| Warburtons | - | 250 | (250) | - | - |
| National Lottery Fund | - | 24,929 | (24,929) | - | - |
| The Percy Bilton Charity | - | 400 | (400) | - | - |
| JGW Patterson Foundation | - | 14,000 | (14,000) | - | - |
| HCP Social Infrastructure | - | 2,825 | (2,825) | - | - |
| Card Factory Foundation | - | 1,700 | (1,700) | - | - |
| D'Oyly Carte Charitable Trust | - | 3,000 | - | - | 3,000 |
| The William Leech Charity | - | 1,113 | (831) | - | 282 |
| NHS England | - | 598,466 | (598,466) | - | - |
| | <u>659,233</u> | <u>791,510</u> | <u>(821,616)</u> | <u>(583)</u> | <u>628,544</u> |

| Name of restricted fund | Description, nature and purposes of the fund |
|--------------------------|--|
| Building fund | The building fund represents the net book value of the inpatient unit and annexed buildings. The fund is reduced by the depreciation charge on these fixed assets. |
| Local CCGs | From April 2018 the local CCG has funded the Lymphoedema Clinic Lead's salary, employer's national insurance costs and pension costs. |
| Macmillan Cancer Support | Macmillan Cancer Support funded 0.5 WTE Outreach Nurse Practitioner post until 31 January 2021. The funding represents the individuals' salary, employer's national insurance costs and pension costs. During the prior year, the post holder also placed a bid with Macmillan to fund comfort packs for service users. The balance of £529 will be used to purchase items for the packs in 2021/22. |
| Dementia UK | Dementia UK funded 0.5 WTE Admiral Nurse post until 30 April 2020. The funding represents the individuals' salary, employer's national insurance costs and pension costs. Unfortunately, the post was discontinued at that date. |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

| | |
|------------------------------------|---|
| Individual Supporters | During the year, individual supporters made donations specifically for the benefit of core clinical services. Including the fund brought forward, this was spent on the neurological day, IPU camp beds and lymphoedema equipment. |
| Edward Guy Foundation | Edward Guy Foundation kindly contributed £17,000 in 18/19 to be used for the purchase of 'Sky Inside' windows within a new build on the land acquired that year. Due to the timescale of this development changing, it was agreed this purchase will be made for installation in the hospice building in 2021/22. |
| Patient Comfort Appeal | In March 2019 Teesside Hospice launched the Patient Comfort Appeal with the target of raising £49,000 for 10 new specialist beds for the Inpatient Unit. The appeal was very successful. The fund is reduced by the depreciation charge on these fixed assets. |
| Outreach Nurse Appeal | At the end of March 2020 Teesside Hospice launched the Outreach Nurse Appeal with the aim of continuing the post by creating income to supplement the funding given by Macmillan Cancer Support. The funding was fully allocated to the balance of the individuals' salary, employer's national insurance costs and pension costs. |
| The Pearl & Trevor Low Fund | Our Foot Health Practitioner applied for a grant to set up a foot clinic at Teesside Hospice. The bid was successful and the Fund contributed set up costs and ongoing replacements as indicated by the balance of £610. |
| Ballinger Trust | The Ballinger Trust donated £1,000 to fund increased demand for PPE. |
| Jack Brunton Trust | This kind donation was used to purchase new catering equipment. |
| Middlesbrough Council | Middlesbrough Council awarded five funds during the year: <ul style="list-style-type: none"> • £1,500 – clinical waste • £5,000 – carers outreach programme, balance cfwd £2,500 • £2,090 – infection control • £11,584 – website development, balance cfwd £11,584 • 1,000 – workforce capacity |
| Hadrian Trust | The Hadrian Trust awarded £1,000 to be spent on bereavement counselling hours. |
| County Durham Community Foundation | Generously donated three funds totalling £14,550. These funds purchased IT required to take services to the community during Covid-19, a new macerator and increased waste removal costs and a bladder scanner. A balance of £193 was transferred to general donations. |
| Rothley Trust | A safety survey on our main IPU doors indicated some improvements were required to protect vulnerable persons from being accidentally harmed. Rothley Trust kindly supported this work. |
| Tees Valley Community Foundation | Kindly donated £1,000 to be used to purchase nurse call fobs and £750 for bereavement counselling IT. A balance of £20 was transferred to general donations. |
| Community Foundation Tyne & wear | Further support for new catering equipment including fridge, food mixer and coffee machine. |
| Ruby & Will George Trust | Generously supporting our Financial Sustainability by contributing towards CIMA studies. A balance of £1,183 will be spent as studies continue. |
| Morrisons Foundation | Specifically used to purchase specialist lymphoedema equipment. |

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

| | |
|-------------------------------|---|
| Warburtons | Warburton Families Matter scheme donated £250 which was used to provide refreshments within the bereavement counselling service. |
| National Lottery Fund | We were able to take our virtual day hospice service into the community with the assistance of the National Lottery Fund who contributed £24,929. |
| The Percy Bilton Charity | £400 was donated to be used on soft furnishings i.e. blinds and towels. |
| JGW Patterson Foundation | The Hospice needed to replace its patient recliner chairs and was able to do this with the funding from the JGW Patterson Foundation. |
| HCP Social Infrastructure | £2,825 was restricted to be used for bereavement counselling hours and Christmas decorations. |
| Card Factory Foundation | Spent on direct inpatient unit equipment – £1,700 paid for the servicing of the syringe drivers. |
| D'Oyly Carte Charitable Trust | £3,000 was donated to be spent on art therapy sessions. This would fund 75 sessions at £40 each. During the year it has not been easy to hold sessions. Therefore, a balance of £3,000 remains to be spent in 2021/22. |
| The William Leech Charity | A donation of £1,113 covered bereavement counselling IT expenditure with a balance of £282 to be spent on bereavement resources in 2021/22. |
| NHS England | The NHSE awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the Covid-19 situation and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose. |

31 COMMITMENTS UNDER OPERATING LEASE COMMITMENTS

Group and charity

The group as a lessee:

The total future minimum lease payments under non-cancellable operating leases is set out below:

| | 2021 | 2020 |
|--------------------------------|---------------------------|--------------------|
| | Land and buildings | Land and buildings |
| | £ | £ |
| Operating leases which expire: | | |
| Within 1 year | 204,956 | 175,200 |
| Between 1 and 5 years | 718,418 | 607,775 |
| Greater than 5 years | 210,525 | 286,924 |
| | <u>1,133,899</u> | <u>1,069,899</u> |

The operating leases represent leases of premises. The leases are of varying terms.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

The charity as a lessor:

The total future minimum lease payments under non-cancellable leases is set out below:

| | 2021 Land and buildings £ | 2020 Land and buildings £ |
|--------------------------------|------------------------------------|------------------------------------|
| Operating leases which expire: | | |
| Within 1 year | 18,000 | 26,400 |
| Between 1 and 5 years | 72,000 | 57,200 |
| | <u>90,000</u> | <u>83,600</u> |

The operating lease represents the lease of premises from Teesside Hospice Care Foundation to its wholly owned subsidiary Teesside Hospice (Trading) Limited.

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

| | 2021 £ | 2020 £ |
|---|------------------|----------------|
| Net incoming movement in funds | 1,670,631 | 203,824 |
| (Gain)/Loss on revaluation of investments | (397,843) | 202,253 |
| Income from investments | (51,487) | (65,488) |
| Interest receivable | (23,624) | (32,874) |
| Depreciation | 85,241 | 78,634 |
| Decrease/(Increase) in stocks | 645 | (10,219) |
| (Increase)/Decrease in debtors | (59,870) | 149,266 |
| (Decrease) in creditors | (14,576) | (105,550) |
| | <u>1,209,117</u> | <u>419,846</u> |

33 LEGAL STATUS OF THE CHARITY

Teesside Hospice Care Foundation is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

34 RELATED PARTY TRANSACTIONS

Jacksons Law Firm

The group enlists the services of Jacksons Law Firm in respect of legal and human resources advice on an ad hoc basis. E.M Turner, who was Trustee and Company Secretary until her resignation dated 01/02/2021 is a partner of Jacksons Law Firm. In the current year amounts totalling £8,425 (2020: £6,500) were payable to Jacksons Law Firm, with amounts included in creditors at the year end totalling £nil (2020: £nil).

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

The Clinkard Group Limited

The group benefits from the kind support of The Clinkard Group Limited. Teesside Hospice (Trading) Limited and The Clinkard Group Limited share a common Director, T Payne. In the year ended 31 March 2021 £2,500 (2020: £2,625) was generously donated to assist fundraising activity.

Hospice UK

David Smith, Chief Executive is a Trustee on the Board of Hospice UK. We pay annual membership fees of £1,260 (2020: £1,230) to Hospice UK. Hospice UK also administered NHS England funding of £529,263 during the year.

ACEVO

David Smith, Chief Executive is a Trustee on the Board of ACEVO (Association of Chief Executives of Voluntary Organisations). We pay annual membership fees of £367 (2020: £nil) to ACEVO.

Teesside Hospice (Trading) Limited

During the year, the charity engaged in the following transactions with the wholly owned trading subsidiary. At 31 March 2021 the unsecured amount owed to Teesside Hospice (Trading) Limited was £63,162.

| | Lottery Future Credits | Intercompany Account | Total |
|------------------------------|------------------------|----------------------|-------------|
| As at 1 April 2020 | (79,667) | 151,540 | 71,873 |
| 410 Linthorpe Road office | - | 45,390 | 45,390 |
| Payroll/CJRS activity | - | 540,752 | 540,752 |
| Gift Aid covenant | - | 526,336 | 526,336 |
| Gift Aided retail sales | - | 78,590 | 78,590 |
| Donor management charges | - | (67,607) | (67,607) |
| Amounts paid to charity bank | - | (180,815) | (180,815) |
| Balance tfr on restructure | - | (19,101) | (19,101) |
| Paid | - | (1,058,580) | (1,058,580) |
| Transfer | (1,990) | 1,990 | - |
| As at 31 March 2021 | (81,657) | 18,495 | (63,162) |

During the year the local authorities distributed grants in respect of closed retail premises. These were mistakenly paid into the charity bank account and is the major contributing factor in £180,815 above.

Teesside Hospice (Trading) Limited operates the weekly lottery in which members pay in advance for future draws. The balance of £81,657 would be repayable at 31 March 2021 should the lottery cease. The funds have been remitted to Teesside Hospice Care Foundation in previous years. The above balance therefore represents the charity's liability to lottery members at the year end.

