

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

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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)
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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
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Registered Charity number:	512875
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Registered office:	1 Northgate Road Linthorpe Middlesbrough TS5 5NW
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Bankers:	Royal Bank of Scotland 31 Grey Street Newcastle Upon Tyne NE1 6ES
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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

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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.

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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
- 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.

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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

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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. 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.

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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
- 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.

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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.

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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.

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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 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.

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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>	-	-	-
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)
		(520,606)	42,203
Decrease/(Increase) in cash held in investment portfolio		26,736	(51,474)
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	<u>496,308</u>	<u>552,141</u>

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

	2021 £	2020 £
Assets	271,793	350,348
Liabilities	<u>(167,449)</u>	<u>(215,976)</u>
Total net assets	<u>104,344</u>	<u>134,372</u>

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
	<u>75,111</u>	<u>75,111</u>	<u>98,362</u>

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 Number	2020 Number
£60,000 to £70,000	<u>1</u>	<u>1</u>

The number of higher paid employees accruing pension benefit was:

	2021 Number	2020 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	2,358,751	32,102	556,439	317,508	35,368	3,300,168
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	1,362,475	32,102	-	238,676	35,368	1,668,621
Net book values						
At 31 March 2021	996,276	-	556,439	78,832	-	1,631,547
At 31 March 2020	1,054,376	-	556,439	98,278	-	1,709,093

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

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	<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 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	<u>1,362,475</u>	<u>-</u>	<u>171,133</u>	<u>35,368</u>	<u>1,568,976</u>
Net book values					
At 31 March 2021	<u>996,276</u>	<u>556,439</u>	<u>49,640</u>	<u>-</u>	<u>1,602,355</u>
At 31 March 2020	<u>1,054,376</u>	<u>556,439</u>	<u>60,196</u>	<u>-</u>	<u>1,671,011</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>

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
At 31 March 2021	2,872,780	110,000	44,749	3,027,529
Historical cost as at 31 March 2021	2,354,223	92,500	44,749	2,491,472

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	24,645	25,290	1,046	-

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
	784,746	724,876	726,332	590,221

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
	421,274	445,787	326,924	301,684

	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	197,962	257,794	85,200	176,757

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	9,937	-	-	-

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

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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

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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	Land and
	buildings	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

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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
	<hr/> 90,000	<hr/> 83,600

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)
	<hr/> 1,209,117	<hr/> 419,846
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

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.

