

Teesside Hospice Care Foundation
(A Company limited by guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 MARCH 2022

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2022

Statement from the Chief Executive

As we move tentatively into a new world of 'living with Covid' Teesside Hospice like all healthcare providers is having to adapt in order to ensure its essential services remain safe, caring, responsive, effective and well-led. Across all of these domains, the last two years has challenged our assumptions and at times tested our resilience.

Throughout this turbulent time the hospice team – from the board of Trustees, through to the clinical, office and support teams have kept safe access and quality experience at the top of their agenda. With frequently changing guidance, our teams have been successful in not only maintaining the delivery of all hospice services but also make sure they maintain the person centred, welcoming and compassionate environment that those in our care need and deserve.

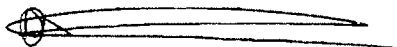
This second year of the Covid-19 pandemic has seen us gain confidence in our digital capability, introduce new connections out into the community and reposition some of our services to have the greatest impact for those in the highest need. Covid-19 has heightened existing healthcare inequalities and this is something we have sought to confront head on in collaboration with our partners to help us learn what more we can do to reduce barriers to access and ensure our specialist-level palliative and end of life care services are available and accessible to all members of our community.

This spirit of collaboration and shared learning has taken other areas of our work forward this year. From our work with the Hospice North East & North Cumbria Collaborative through to representing hospice care on the NHS Yorkshire and North East Strategic Clinical Network and regular involvement with Hospice UK Project Clinical Echo network we have continued to look outwards to share our own best practice and find others who might inspire us to improve further.

Closer to home, this has been the first full year following a governance review in 2019 which has allowed us to fully test our monitoring and assurance systems. We are pleased to find these working well with timely and accurate data available at appropriate levels in our organisation. Alongside the overwhelmingly positive outcome data from those we care for and strong satisfaction ratings from our staff family and friends survey, we are able to take a good level of assurance that both our regulatory compliance and charitable impact is delivering the benefits we all expect.

Despite all of this success, we are acutely aware the difficulties many in our workforce have faced. The relentless pressure of work during the pandemic alongside immense global problems we see in the news every day affects us all and as a charitable hospice, we have sought to help where possible through our staff wellbeing programme, open communications, flexibility and emotional support. The national problems of hospice funding as yet remain unsolved but we are closely involved at local, regional and national levels positively influencing policy making in order to protect this service our community tell us is so important to themselves and their loved ones.

This coming year remains an uncertain one for all of us. The next stages of Covid, NHS recovery programmes, inflation, fundraising pressures, increasing costs. We are fortunate to be going into this, our 40th year, in a strong position with a clear purpose and an ambition to help even more people get the quality care that makes such an important difference to the lives of those we are here for.



David Smith
Chief Executive

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2022

Directors and Trustees

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

Trustees:	E. Criddle - Chairperson	
	M. C. Ellington	
	M.P.R. Firman	
	M. D. Flannery	
	R.M. Jewell	(resigned 25/11/2021)
	C. Langrick	
	T. Payne	
	J. Sheridan	
	G. Whitehead	

Key management personnel:	All Trustees as listed above and the Senior Management Team:
	Chief Executive – D. Smith
	Director of Nursing & Quality – D. Edwards
	Director of Income Generation – D. Coulson
	Finance Director – A. Wardle
	Workforce Development Manager – A. Doyle
	Head of Retail – C. McMahon

Company registration number:	01642201
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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
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Hartlepool
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Rathbone Investment Management
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75-85 Grey Street
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TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2022

The Trustees are pleased to present their annual report together with the financial statements of the charity and group for the year ended 31 March 2022. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the organisation's Memorandum and Articles of Association and Accounting and Reporting by Charities Statement of Recommended Practice Applicable to charities preparing their accounts in accordance with the Financial Reporting Standard Applicable in the UK (FRS 102) (effective 1 January 2019).

Objectives and activities

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

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

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

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

Strategic aim and objectives

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

Teesside Hospice is greatly supported by the local community and relies on voluntary help. The Hospice has an established team of volunteers who offer their time to all areas of the hospice. The volunteers work side by side with paid staff and are a valued resource to the organisation, enabling lower staff costs than would otherwise be the case. The active volunteer workforce has maintained during the year and the count which we aim to increase is approximately 300.

Our strategic objectives are:

- To develop a wider needs led service that reaches more people who can benefit from our care through the development of strategic partnerships.
- Educate clinical colleagues and the general public about our services and about specialist palliative care.
- Improve care for local people with any type of life limiting illness.
- To develop our staff and volunteers and their skills to continue to serve the people of Teesside.

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Activities for achieving objectives

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

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

Structure, governance and management

Governing document

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

Governing body

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

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

Trustee recruitment, induction and training

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

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

A Trustee workshop took place in February 2022 with the purpose of reviewing governance but to also aid learning and engagement and to look at areas for development. Covid-19 disrupted the ability to hold such workshops but in 2022/23 Trustees will continue with these and aim towards adopting the Charity Governance Code.

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

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

TEESSIDE HOSPICE CARE FOUNDATION

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For the year ended 31 March 2022

Organisational structure

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

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

Pay policy for key management personnel

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

In 2021/22 the Trustees commissioned a pay review project to review the current pay structure. As part of the review, we considered how to overcome the problems presented by the annual National Living Wage increase which has gradually eroded the movement between salaries at the lower end of the scale. We also looked at how we can improve the career path for staff with a clearer progression framework. This is an ongoing project, as well as reviewing the whole reward package including sickness, holiday and pension schemes. An enduring theme each year will be how to work within the deficit budget we have. The new pay structure was implemented from 1 April 2022.

Staff

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

The 'friends and family' questionnaire which was introduced in July 2017 continues to be repeated. This survey was completed by staff and volunteers in July 2021. The results were as follows:

How likely are you to recommend Teesside Hospice to friends and family if they need care or treatment?

July 2021	Staff		Volunteer	
	% recommend	% not recommend	% recommend	% not recommend
97 respondents	100	0	83	6

Overall it was felt that it was a lack of knowledge which prevented the participant recommending the care rather than a personal negative experience.

How likely are you to recommend Teesside Hospice to friends and family as a place to work?

July 2021	Staff		Volunteer	
	% recommend	% not recommend	% recommend	% not recommend
97 respondents	97	2	89	6

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Our fundraising practice

Teesside Hospice established a Fundraising Committee in 2019/20 to ensure that appropriate scrutiny and oversight has been applied to fundraising activity, performance and delivery. In addition to monitoring the development and implementation of fundraising activity, the Committee is responsible for monitoring financial performance. Development opportunities and future growth is debated, planned and actioned. The Committee meets quarterly whilst the SMT member of staff with day to day operational responsibility for fundraising activity (including lottery activity) is the Director of Income Generation. A fundraising strategy has been developed with the objective of maximising profitability whilst adapting to the current climate, maintaining visibility to the public and conducting income generation in an ethically sound manner. Teesside Hospice is registered with the Fundraising Regulator and is a member of the Hospice Lotteries Association. There have been no failures to comply with regulation nor have there been any complaints received. Risks associated with fundraising activity are continuously examined by inclusion in the operational risk register. In April 2022 we will commence using an external company to recruit new lottery members and it will be ensured that their work is conducted in accordance with the agreed contract, reflecting the values and behaviours expected by Teesside Hospice. All staff and third parties receive training on protecting vulnerable individuals - if it is felt that a person is not capable of making an informed decision about supporting Teesside Hospice, e.g. because of mental health problems, learning disabilities or substance misuse relating to alcohol or drugs, attempts must not be made to sell any fundraising related product. Teesside Hospice operates an over 18s policy in respect of lottery membership and education is provided to staff on ways to spot a problem gambler.

Related parties

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

Strategic Report

Achievements and performance

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

The Quality and Performance Committee

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

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

A new Director of Nursing & Quality appointed in August 2020 has brought a fresh focus and renewed energy in driving forward quality improvement within the hospice with a continued drive to improve patient outcomes, work through boundaries to look at new ways to deliver services and to empower our clinical leads.

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

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Patient feedback is important to us so that we can continuously review our services and improve on what is available. An annual patient survey is undertaken and feedback is managed by the Clinical Audit & Quality Improvement Group. The outcome of the survey is shared widely within the organisation at the Quality and Performance Committee, Board of Trustees and summaries of the survey are shared in each department to inform patients, their families and other visitors to the organisation of the outcome of the survey. Furthermore, we have a suggestion box for visitor and patients to provide us with live feedback that this is reviewed each day and take action at the earliest opportunity.

The Care Quality Commission

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

- Treatment of disease, disorder or injury

Teesside Hospice is registered with the following conditions:

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

The last unannounced routine inspection of Teesside Hospice took place on 16th March 2016. Our feedback was very positive and we received an overall rating of GOOD for our service. No areas were rated as inadequate. On 8th February 2021, relevant members of the SMT had a Transitional Monitoring Approach (TMA) call with the CQC. Positive feedback was given and this did not result in any follow up action such as an immediate visit. As we emerge from the pandemic, the CQC are further developing their monitoring approach and in accordance with this approach, they carried out a review of the data about Teesside Hospice in February 2022. They did not find any evidence that they need to carry out an on-site inspection or re-assess our rating.

Inpatient Unit: There were 130 patients who received inpatient care (142 episodes of care) with a variety of complex needs. The average length of stay for patients is 17 days. 29% of patients were discharged to their homes or a care home. 69% of patients received end of life care and 2% were discharged to the hospital/other services.

Wellbeing Centre: Due to the ongoing pandemic, the Wellbeing Centre which had changed to virtual working continued to provide remote support in the form of telephone/video/Zoom sessions. As restrictions were reduced, in May 2021 the service opened up to provide face to face sessions, initially for a limited number but increasing as restrictions have further eased. There were 1,217 patient contacts remotely in individual and group format. There have been 1,152 face to face contacts in individual and group format. The average length of attendance was 30 weeks.

Lymphoedema Service: The lymphoedema clinic received 507 referrals over the course of 2021/2022. There were 3,840 patient interactions including clinic/home visit appointments, education via Zoom, advice calls and IPU and Wellbeing patients seen. There were 1,260 patients on the lymphoedema clinic caseload in 2021/22.

Bereavement Counselling Service: From April 2021 to March 2022 there were 1,463 bereavement counselling appointments attended (1,263 adults and 200 children). These appointments were either Face to Face counselling or Zoom counselling and were received from GPs, other agencies and also self-referrals. The average length of service use was 10 weeks.

Volunteers

Teesside Hospice has an established team of volunteers who offer their time to each department across both the Trading Company and the Charity. The current headcount is in the region of 300 volunteers working side by side with paid staff to support them to fulfil their duties (volunteer support was sadly affected in various ways from 23/03/20). Volunteers are a valued resource to the organisation and we recognise their commitment and value. The Board of Trustees and Trading Company Directors, who have uppermost authority for controlling the activities of Teesside Hospice are volunteers.

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2022

Financial review

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

THCF has had a transitional year, and has ultimately generated a surplus of £524,094 with a number of influencing factors. Of this surplus, £202,368 relates to an increase in the value of the investment portfolio (including property) and £321,726 is the excess of income over expenditure. Without legacy income this surplus would have been £170,038. We commenced the year with a deficit budget of £510,469 (excluding unrealised gain/loss on investment). However, the positive re-opening of our retail stores called for a revised budget which reduced the deficit to £329,513. The surplus for the year exceeds expectations. The principal variances arose from: an NHS support package totalling £130,000; additional CCG funding in respect of additional support services provided; other one-off income (£11,611 Coronavirus Job Retention Scheme plus £43,737 Local Authority shop closure grants and insurance compensation of £51,569); and income generation outperforming expectations in addition to considerable savings made in respect of salaries.

Donations and legacies have decreased by £730,006 (37%). Legacy income is one of the largest contributors to this income heading and is very unpredictable. Legacy income totalled £151,688 which was a decrease of £710,885 on the prior year. Donations have reduced in the year having received a fantastic response to our urgent appeal in 2020/21. Grants and Trusts have reduced by £64,535 (36%) partly due to partnerships with Macmillan and Dementia UK ending. Charitable activities income has decreased in total by £408,502 primarily due to the NHS support package. Other income totals £63,205 compared with £408,361 in the previous year and this comprises the CJRS and insurance income described above.

Expenditure on charitable activities has decreased by £43,958 which demonstrates the commitment to the control of expenditure plus support from the local Trust in respect of waived SLA recharges.

Cash at bank and short term investments totals £3.3 million at 31 March 2022. Liquidity and reserves are in constant focus and we endeavour to strike a balance between cash at bank and in investments.

The principal assets of the Hospice are buildings dedicated to the provision of Specialist Palliative Care Services which include the Inpatient Unit, the Wellbeing Centre and the Adult and Children's Bereavement Counselling Service. In February 2019 the Charity completed the purchase of land adjacent to the current Hospice buildings. The land was originally purchased as a strategic asset, to expand the Hospice's footprint providing forthcoming opportunity whilst protecting the site from alternative development. Our plans for this land link with the review the NHS are now conducting with regards to the sustainability and commissioning for palliative and end of life care. The land currently adds value to the overall grounds of the hospice land and buildings.

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

The net increase in unrestricted funds was £578,354 (2021: increase £1,701,320). Unrestricted funds are the operational reserves of the charity. The Trustees are undertaking a longer term review of financial planning including reliance on legacy income and thanks are expressed to all staff and volunteers of the hospice who have made tremendous efforts to keep running costs to a minimum whilst maintaining a high standard of care to patients and their families and a safe working environment for all staff and volunteers.

Commercial Activities

It has been another year of navigating an ever-changing environment which had a dramatic impact on our resources and ability to carry out activity in the way we had planned.

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For the year ended 31 March 2022

Once again through strategic leadership and a dynamic and committed workforce, internal income generation has achieved a profit of £1,469,037 which is 35% up on budget.

This has been achieved by managing risk and continuing to develop our income generation streams whilst focusing on sustaining the loyalty and generosity of our current donors through supporter care plans and the increase of touchpoints.

Highlights include:

- Successful reintroduction of Community & Events fundraising including income from Midnight Walk £30,267, Ball £27,089 & Stokesley Open Gardens £20,435.
- Maintained growth in key Christmas activity income of Rudolf Run £78,226 and Christmas Trees £33,879
- Re introduction of corporate fundraising
- Maintaining playing lottery membership consistently over 10,000 with a 98% collection efficiency and an increase in donations of £53k due to the introduction of a £5 model
- The retail department generated a net profit of £444,341 exceeding budget by £178,583
- Eleven of the thirteen shop locations exceeded their net profit budget
- Retail Gift Aid conversion rate increased to 17%
- Development of the bought in goods range generated a profit of £30,642

Charitable Activities

Funding is provided by South Tees Clinical Commissioning Group and other Clinical Commissioning Groups. In recent years, the main grant received from South Tees CCG has seen little growth. In 2021/22, the contract value was uplifted by 0.2%. The number of patient interactions in the Lymphoedema service has varied due to the restrictions of Covid-19. The Hospice continues to work closely with the CCG in respect of this service.

It is recognised that legacies are a critical element of the charitable company's funding and the timing and amount of this income is uncertain. In the thirteen years to date, the annual legacy income averages approximately £435k (excluding an exceptional legacy of £695,000 in 2014/15 which significantly increased income in that year). The Board of Trustees recognises the need to continue to develop a legacy strategy whilst also developing income from other sources.

Key Performance Indicators are as follows:

	2021/22	2020/21
Change in Tees Valley CCG contract value	0.20%	1.3%
Increase in other CCG contract values	2.25%	To block contract
Social media followers at year end – all platforms	23,754	22,658
Increase in total funds	£524,094	£1,670,631
Individual gifts in year (excludes retail sales and lottery membership)	9,306	8,500
Donors giving gifts in year	4,076	4,200
Number of legators included in income for the year	18	20
Number of active retail gift aid donors in year	3,467	1,901
Would you recommend the service - patient satisfaction survey IPU	Definitely 96% Possibly 4%	Definitely 100% Never 0%

Risk management

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

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

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

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

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

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

Reserves

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

Our acceptable balance of free reserves is reviewed annually by the Finance & Facilities Committee and moving into 2022/23 the risk based approach above has defined an acceptable level of £2,850,000.

The hospice group currently has free reserves of £3,049,557 (2021: £3,239,685). In calculating free reserves, the Trustees have excluded from total funds the restricted funds (£574,284), unrestricted tangible assets (£1,002,171), the fixed assets investment property (£120,000), the investment portfolio (£3,668,783) and designated funds (£900,000).

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

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

In the longer term, a new business venture could be a viable option for investing reserves in order to strengthen income generation allowing us to continue to develop charitable operations. Due to the longer term nature of this plan, Trustees are giving this option attention on an annual basis. Until there is further clarity around the NHS funding review, and whilst the economy is volatile, Trustees are satisfied that there are no immediate plans.

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Deficit budgets are forecasted and we accept that reserves will be needed whilst we work through the current economic situation and the reviews being conducted by the NHS. We continue to look for cost improvements and new revenue initiatives. The aim is to hold sufficient free reserves to cover deficits in the future. Despite the challenges of the Covid-19 pandemic, the 2021/22 year has seen very positive financial results. Consequently, Trustees carried forward the designation of £400k to allow for the reduction in free reserves budgeted for 2022/23.

Investment powers and policy

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

£700k has been invested into the investment portfolio in the financial year. At the year end, the unrealised gain on investment holdings for the 2021/22 year amounted to £192,368 (2020/2021: gain £397,843) and the investment property was revalued with a gain of £10,000.

Plans for future periods

Teesside Hospice is committed to the delivery of high quality care. That is care which is safe, effective and provides patients and carers with a positive experience. The priorities for quality improvement we have identified for 2022/23 are set out below. We have selected one that will impact directly on each of the three headings; patient safety, clinical effectiveness and patient experience.

- Improvement 1 – Patient Safety (Extended Clinical Skills for Health Care Assistants)

Healthcare Assistants (HCAs) play a vital role in providing excellent care to patients in all settings at the hospice. As valued members of the clinical team it is essential they feel supported and confident to undertake their role to the best of their ability, to provide excellent care to patients and their families. Ongoing training, development and supervision are key to retain a highly motivated workforce that adds value to care delivery of the hospice. Extending the skills of HCA's increases the skills capability of the existing workforce thus improving patient safety.

The first area of skills extension will be supporting the registered nurses in the administration of controlled drugs (CD's) by acting as a 'second checker'. The role of the 'second checker' for administration of CD's is important for patient safety. A second checker can be another registered practitioner (nurse or doctor) or HCA who has completed a level 2 qualification in the Safe Handling of Medication and assessed as competent by the mentor and Nurse Practitioner.

All our HCA's have committed to completing the Safe Handling of Medication course online and 2 workbooks which will provide the foundations for them to understand the principles surrounding medicines management including CD's. In practice they will be guided by our RN team who will supervise and coach them enabling competencies to be achieved and the building of confidence as a second checker for CD medications.

- Improvement 2 – Clinical Effectiveness (Volunteers)

Volunteers have been, and continue to be at the heart of Teesside Hospice. There are varying roles to support all aspects of hospice life by supporting fundraising, income generation and the hospice itself in administration, catering and care services. Volunteers bring additional human kindness into busy hospice life by providing practical, personal and emotional support to patients and staff. In frontline services, volunteers complement and offer support with care activities that frontline staff may not always have time for, which in turn provides staff with more time to provide effective clinical care.

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2022

Pre-pandemic both the hospice and the income generation teams had many volunteers, then as the country went in to 'lockdown' the hospice had to cease all volunteer activity. During the pandemic, the hospice used this time to reflect and review all aspects of working practice including the volunteer programme. The review included how we use volunteers, and look at what they can do to support the teams to continue to deliver high quality patient care.

The outcome of the review set out a wider range of volunteer roles to join the pre-existing roles who support administration and reception, mealtime helpers, coffee shop volunteers etc. Some roles are no longer required due to reviews of services. The new roles include the piloting of different, more specific roles that are patient facing. Other roles are being explored to include nursing, complementary therapy and community volunteers. Increasing the number and range of volunteers will enrich the patients and carers experience in the hospice and support the teams to deliver effective care and services to patients and their families.

- **Improvement 3 – Patient Experience (Approaches to Spirituality)**

Being diagnosed with a life limiting condition not only has an impact on the individual's physical, social and psychological wellbeing but also their spiritual wellbeing. A progressive disease may confront patients and their relatives with spiritual concerns that include loss of meaning or purpose in life, a sense of hopelessness, isolation and fear of dying. The hospice has a tradition of providing pastoral and spiritual care as an integral part of holistic care. Historically this has been through an onsite chaplaincy service but going forward supported by local faith community and volunteer interfaith chaplain.

During the pandemic it was identified that wider access to spiritual services was needed more than ever not only to patients but staff also. Therefore, a review of approaches to spirituality at the hospice needs to be undertaken with the outcomes being a different mode of delivery for patients and staff.

To ensure truly holistic and person centred care, the hospice must ensure that any spiritual needs of individuals are addressed. Spirituality can be defined in many ways, and is incorporated into many belief systems including established faiths and individual philosophies. Every individual's spiritual needs and wishes are different, they may be affiliated to a faith belief system or may ascribe to an interpretation of a faith or belief system particular to their own culture and lifestyle.

To support patients, carers, and their families it is recognised that all staff have an important role to play in addressing the spiritual needs of patients, carers, and families. Meeting the spiritual needs of patients, carers and their families falls to clinical staff, but not wholly. True holistic, person centred care is based on relationships, compassion and mutuality. To ensure this is the case the hospice recognises that we have a responsibility to ensure the spiritual needs of staff and volunteers are also met.

Other plans for the future

We await the outcome of the NHS End of Life Care funding review. In order to strengthen our hospice, we entered a collaboration with St Teresa's Hospice with a shared Chief Executive from 1 April 2022. We are fully committed to the provision of safe, caring, responsive, effective and well-led services at Teesside Hospice. The hospice has a well-established clinical and corporate governance structure, with Trustees playing an active part in ensuring that Teesside Hospice fulfils its mission, according to its charitable objectives and in ensuring that the organisation remains responsible and compliant in all areas of regulation, health and safety, employment law and other relevant legislation.

Going concern

Forecasts have been prepared covering 12 months from the date of signing these financial statements. Trustees are satisfied that there are no material uncertainties in respect of going concern. Further detail is given on page 18.

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2022

Auditors

On 25 November 2021 the Board of Trustees appointed new auditors, Waltons Business Advisers Limited.

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group for that period.

In preparing these financial statements, the Trustees are required to:

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

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

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

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

Statement as to disclosure of information to auditors

In so far as the Trustees are aware

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

This report was approved by the Trustees on01/09/2022..... and signed on its behalf by



E Criddle
Trustee

**INDEPENDENT AUDITORS' REPORT TO THE INDEPENDENT MEMBERS OF
TEESSIDE HOSPICE CARE FOUNDATION
FOR THE YEAR ENDING 31 MARCH 2022**

Unqualified Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

**INDEPENDENT AUDITORS' REPORT TO THE INDEPENDENT MEMBERS OF
TEESSIDE HOSPICE CARE FOUNDATION
FOR THE YEAR ENDING 31 MARCH 2022**

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE INDEPENDENT MEMBERS OF
TEESSIDE HOSPICE CARE FOUNDATION
FOR THE YEAR ENDING 31 MARCH 2022**

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of our report

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

Waltons Business Advisers Limited

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

Date: 7 September 2022

TEESSIDE HOSPICE CARE FOUNDATION

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

For the year ended 31 March 2022

	Note	2022 Unrestricted funds £	2022 Restricted funds £	2022 Total £	As restated 2021 Total £
Income:					
Donations and legacies	2	1,147,300	77,542	1,224,842	1,954,848
Charitable activities	3	1,362,255	191,008	1,553,263	1,961,765
Other trading activities	4	1,976,464	-	1,976,464	1,277,344
Investments	6	73,480	-	73,480	75,111
Other income	7	63,205	-	63,205	408,361
Total income		4,622,704	268,550	4,891,254	5,677,429
Expenditure:					
Raising funds: other trading activities	8	1,595,136	10,793	1,605,929	1,397,084
Charitable activities	9	2,651,949	311,650	2,963,599	3,007,557
Total expenditure		4,247,085	322,443	4,569,528	4,404,641
Net income/(expenditure) before other gains/losses		375,619	(53,893)	321,726	1,272,788
Net gain/(loss) on investments		202,368	-	202,368	397,843
Net income/(expenditure)		577,987	(53,893)	524,094	1,670,631
Gross transfers between funds		367	(367)	-	-
Net movement in funds for the year		578,354	(54,260)	524,094	1,670,631
Reconciliation of funds:					
Total funds brought forward		8,162,157	628,544	8,790,701	7,120,070
Total funds carried forward	29/30	8,740,511	574,284	9,314,795	8,790,701

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

All of the above amounts relate to continuing activities.

TEESSIDE HOSPICE CARE FOUNDATION

Company number 01642201

Registered Charity Number 512875

CONSOLIDATED AND CHARITY BALANCE SHEETS AT 31 MARCH 2022

	Note	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Fixed assets					
Tangible assets	18/19	1,550,956	1,631,547	1,530,654	1,602,355
Investments	20	3,906,141	3,027,529	3,906,143	3,027,531
		<u>5,457,097</u>	<u>4,659,076</u>	<u>5,436,797</u>	<u>4,629,886</u>
Current assets					
Stocks	21	31,474	24,645	-	1,046
Debtors	22	916,479	784,746	909,401	726,332
Short term investments	23	1,986,299	1,824,622	1,986,299	1,824,622
Cash at bank and in hand		1,290,661	1,928,823	1,127,464	1,831,397
		<u>4,224,913</u>	<u>4,562,836</u>	<u>4,023,164</u>	<u>4,383,397</u>
Creditors: amounts falling due within one year	24	<u>(360,060)</u>	<u>(421,274)</u>	<u>(205,966)</u>	<u>(326,924)</u>
Net current assets		3,864,853	4,141,562	3,817,198	4,056,473
Total assets less current liabilities		9,321,950	8,800,638	9,253,995	8,686,359
Creditors: amounts falling due after more than one year	25	<u>(7,155)</u>	<u>(9,937)</u>	<u>-</u>	<u>-</u>
Net assets		<u>9,314,795</u>	<u>8,790,701</u>	<u>9,253,995</u>	<u>8,686,359</u>
The funds of the charity					
Unrestricted funds	29	8,740,511	8,162,157	8,679,711	8,057,815
Restricted funds	30	574,284	628,544	574,284	628,544
Total charity funds	27	<u>9,314,795</u>	<u>8,790,701</u>	<u>9,253,995</u>	<u>8,686,359</u>

A separate Statement of Financial Activities for the Charity as an individual entity is not presented because the Charity has taken advantage of the exemption offered by Section 408 of the Charities Act 2006. The net incoming resources before gains and losses for the year for the Charity was £365,268 (2021: £1,302,816).

The financial statements were approved by the Board of Directors and authorised for issue on 01/09/2022 and signed on their behalf by:



E Criddle
Trustee



M Firman
Trustee

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

TEESSIDE HOSPICE CARE FOUNDATION

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2022

	Note	2022 £	2021 £
Net cash flows from operating activities	32	126,279	1,209,117
Cash flows from investing activities			
Income from UK listed investments		52,520	45,187
Income from other investment assets		6,300	6,300
Interest received		14,660	23,624
Purchase of property, plant and equipment		-	(7,695)
Proceeds from sale of investments		387,921	554,873
Purchase of financial investments		(991,556)	(1,142,895)
		<u>(530,155)</u>	<u>(520,606)</u>
(Increase)/Decrease in cash held in investment portfolio		<u>(72,609)</u>	<u>26,736</u>
Net cash (used in) investing activities		<u>(602,764)</u>	<u>(493,870)</u>
(Decrease)/Increase in cash and cash equivalents in the year		(476,485)	715,247
Cash and cash equivalents at the beginning of the year		<u>3,753,445</u>	<u>3,038,198</u>
Total cash and cash equivalents at the end of the year		<u>3,276,960</u>	<u>3,753,445</u>
Relating to:			
Cash at bank and in hand		1,290,661	1,928,823
Short term investments		<u>1,986,299</u>	<u>1,824,622</u>
Total cash and cash equivalents at the end of the year		<u>3,276,960</u>	<u>3,753,445</u>

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

1 ACCOUNTING POLICIES

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

BASIS OF ACCOUNTING

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

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

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

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

REDUCED DISCLOSURE OPTIONS

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

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

GOING CONCERN

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

As we enter the third year of Covid-19 pandemic, we are seeing the end of most, but not all, restrictions. Our clinical services have all continued albeit in slightly different forms. We have been flexible and responsive. The past year our focus has continued to be on responding to the pandemic. As vaccinations and treatments for the virus have improved we can turn our attention to recovery and systematically reopen hospice services in line with national guidelines. To deliver the safe services during the pandemic has been a 'Team Teesside' effort with everyone playing their part.

A major element of the Covid-19 recovery plan is the wellbeing of all hospice staff and volunteers across both care delivery, income generation and retail. The impact of the pandemic on individuals, their families and local community cannot be underestimated, therefore a comprehensive programme to support staff is underway. This will allow 'Team Teesside' to regroup and reconnect across all services.

Teesside Hospice (Trading) Limited had to temporarily close all charity shops throughout the three lockdown periods in 2020/21. They since commenced trading from the 12th of April 2021. Staff were furloughed and income from charity shops ceased. The company was able to access government support. The company has also benefited from an insurance claim relating to loss of retail income due to the pandemic.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

The 2022/23 budget has been produced under the assumption that there will be no further lockdowns and a full year of trading. The forecast adopts a static approach to income levels, 2021/22 has been successful but there are challenges in terms of quality donated stock and staffing. The organisation strives to develop new fundraising methods suitable to the current climate.

The current financial climate is a test to every organisation's reserves policy. Measures are in place to ensure the financial impact is under constant review. The risk register has been fully updated to include the new exposures faced. The Trustees have prepared profit and loss forecasts and cash flow forecasts for the following 12 months and have reviewed the group's resources and have a reasonable expectation that the charity and group has adequate reserves to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

BASIS OF CONSOLIDATION

The financial statements consolidate the results of the charity and its wholly owned subsidiary undertaking, Teesside Hospice (Trading) Limited, on a line by line basis. All financial statements are made up to 31 March 2022, and consistent accounting policies are used.

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

INCOME

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

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

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

Gifts in kind, which include donated drugs and dressings, is included as income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. The amount included in note 2 is £56,776 (2021: £51,266) of which £44,721 was drugs and dressings purchased then recharged to the CCG and £12,055 was the value of donated drugs and dressings. No income is recognised where there is no financial cost borne by a third party.

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

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

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

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

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

Gifts donated for resale are included as income when they are sold. The Trustees acknowledge that they are assets of the Charity as soon as received but due to the fact that a very large number of small value items are received, the time and cost of valuing donated goods at receipt would outweigh any benefit (of having them valued) to the users of the financial statements. Where goods are donated under the Gift Aid scheme the Charity is not entitled to the income until the goods are sold and the donor has confirmed that they are gifting the proceeds. In this case the income is included as a donation rather than a sale.

RESOURCES EXPENDED

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

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

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

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

OPERATING LEASE AGREEMENTS

The group as a lessee

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

The group as lessor

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

FUNDS ACCOUNTING - The funds held by the charity are:

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

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

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

TANGIBLE FIXED ASSETS

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

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

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

INVESTMENTS

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

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

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

STOCK

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

DEBTORS

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

CASH AT BANK AND IN HAND

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

CREDITORS AND PROVISIONS

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

FINANCIAL INSTRUMENTS

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

Financial assets: Trade and other debtors

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

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

Financial liabilities: Trade and other creditors

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

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

DEFERRED TAXATION

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

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

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

EMPLOYEE BENEFITS

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

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

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

RETIREMENT BENEFITS

Multi-Employer Plan

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

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

Defined contribution plan

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

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical areas of judgement

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

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

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

2 DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	2022 Total £	2021 Total £
General donations	237,985	3,422	241,407	321,175
Sponsored events	216,019	-	216,019	192,802
'In Memory' donations	104,708	-	104,708	132,346
Edward Guy Foundation	75,000	-	75,000	100,000
Placements/teaching	9,024	-	9,024	4,051
Solicitors claims	-	-	-	13,517
Retail sales applicable for Gift Aid	204,683	-	204,683	78,590
Gift Aid on retail	51,197	-	51,197	19,653
Grants and trusts received	40,220	74,120	114,340	178,875
Legacies	151,688	-	151,688	862,573
Drugs from CCG	56,776	-	56,776	51,266
	<u>1,147,300</u>	<u>77,542</u>	<u>1,224,842</u>	<u>1,954,848</u>
2021 total	<u>1,822,690</u>	<u>132,158</u>	<u>1,954,848</u>	

Retail Sales applicable for Gift Aid have been reclassified as a donation from other trading activities and therefore the prior year figures have been restated accordingly.

Teesside Hospice has an established team of volunteers who offer their free time to the organisation. In accordance with FRS 102 and the Charities SORP (FRS 102) Section 6, the economic contribution of general volunteers is not recognised in the accounts in the absence of a reliable measurement basis. The current headcount approximately 300.

3 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	2022 Total £	2021 Total £
Tees Valley CCG	668,496	-	668,496	608,958
Lymphoedema clinic	622,184	61,008	683,192	680,195
Other CCG recharges	71,575	-	71,575	74,146
NHS England	-	130,000	130,000	598,466
	<u>1,362,255</u>	<u>191,008</u>	<u>1,553,263</u>	<u>1,961,765</u>
2021 total	<u>1,302,413</u>	<u>659,352</u>	<u>1,961,765</u>	

4 OTHER TRADING ACTIVITIES

	Unrestricted funds £	2022 Total £	2021 Total £
Retail sales	1,112,563	1,112,563	502,268
Local authority grant funding	43,737	43,737	137,116
Fundraising	161,943	161,943	67,674
Lottery	655,214	655,214	566,824
Catering contributions	3,007	3,007	3,462
	<u>1,976,464</u>	<u>1,976,464</u>	<u>1,277,344</u>

The income from other trading activities in 2021 all related to unrestricted funds.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

5 TRADING SUBSIDIARY

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

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

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

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

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

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

	2022 £	2021 £
Turnover	1,767,777	1,069,092
Total expenditure	(1,239,780)	(1,103,140)
Other income	242,071	530,356
Taxation (deferred tax credit - reversal of timing differences)	-	-
Profit after tax for the year	770,068	496,308

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

	2022 £	2021 £
Assets	238,521	271,793
Liabilities	(177,719)	(167,449)
Total net assets	60,802	104,344

6 INVESTMENTS

	Unrestricted funds £	2022 Total £	2021 Total £
Income from UK investment properties	6,300	6,300	6,300
Income from UK listed investments	52,250	52,250	45,187
Bank interest receivable	14,660	14,660	23,624
	73,480	73,480	75,111

The investments income in 2021 all related to unrestricted funds.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

7 OTHER INCOME

	Unrestricted funds £	2022 Total £	2021 Total £
Job retention scheme (CJRS) including SSP	11,611	11,611	238,361
Insurance compensation	51,569	51,569	170,000
Sundry income	25	25	-
	<u>63,205</u>	<u>63,205</u>	<u>408,361</u>

The other income in 2021 all related to unrestricted funds.

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

8 RAISING FUNDS: COMMERCIAL TRADING ACTIVITY

	Unrestricted Funds £	Restricted funds £	2022 Total £	2021 Total £
Wages & salaries	844,505	280	844,785	730,922
Other costs	721,182	10,513	731,695	640,746
Depreciation	8,890	-	8,890	8,890
Investment management fees	20,559	-	20,559	16,526
	<u>1,595,136</u>	<u>10,793</u>	<u>1,605,929</u>	<u>1,397,084</u>
2021 total	<u>1,395,249</u>	<u>1,835</u>	<u>1,397,084</u>	

9 COSTS OF CHARITABLE ACTIVITIES – BY FUND TYPE

	Unrestricted funds £	Restricted funds £	2022 Total £	2021 Total £
I P U	1,667,565	209,012	1,876,577	1,949,507
Wellbeing & Lymphoedema	810,487	93,757	904,244	831,520
Bereavement Counselling	173,897	8,881	182,778	222,982
Community	-	-	-	3,548
	<u>2,651,949</u>	<u>311,650</u>	<u>2,963,599</u>	<u>3,007,557</u>
2021 total	<u>2,187,776</u>	<u>819,781</u>	<u>3,007,557</u>	

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

10 COSTS OF CHARITABLE ACTIVITIES – BY ACTIVITY

	Direct costs £	Support costs £	2022 Total £	2021 Total £
IPU	1,301,684	574,893	1,876,577	1,949,507
Wellbeing & Lymphoedema	682,098	222,146	904,244	831,520
Bereavement Counselling	110,898	71,880	182,778	222,982
Community	-	-	-	3,548
	<u>2,094,680</u>	<u>868,919</u>	<u>2,963,599</u>	<u>3,007,557</u>
2021 total	<u>2,129,416</u>	<u>878,141</u>	<u>3,007,557</u>	

11 ANALYSIS OF DIRECT AND SUPPORT COSTS

DIRECT COSTS	IPU £	Wellbeing and Lymph- oedema £	Bereavement Counselling £	Community £	2022 Total £	2021 Total £
Staff costs	1,232,407	401,143	105,423	-	1,738,973	1,802,733
Establishment	12,355	16,906	1,571	-	30,832	46,378
Consumables	4,449	263,185	-	-	267,634	226,946
Volunteer costs	86	-	834	-	920	363
Uniforms	2,240	335	-	-	2,575	1,463
Counselling resources	-	-	3,070	-	3,070	2,043
General expenses	1,597	529	-	-	2,126	940
Depreciation	48,550	-	-	-	48,550	48,550
	<u>1,301,684</u>	<u>682,098</u>	<u>110,898</u>	<u>-</u>	<u>2,094,680</u>	<u>2,129,416</u>
2021 total	<u>1,381,038</u>	<u>607,177</u>	<u>137,653</u>	<u>3,548</u>	<u>2,129,416</u>	
SUPPORT COSTS	IPU £	Wellbeing and Lymph- oedema £	Bereavement Counselling £	Community £	2022 Total £	2021 Total £
Staff costs	316,474	122,055	33,959	-	472,488	456,393
Establishment	92,220	61,721	28,269	-	182,210	205,273
Training & HR	15,520	5,986	1,665	-	23,171	18,571
Consumables	74,737	8,304	-	-	83,041	81,102
Cleaning supplies	10,225	3,820	629	-	14,674	13,379
Kitchen supplies	24,421	127	35	-	24,583	21,874
Volunteer costs	1,612	621	173	-	2,406	162
Uniforms	351	135	38	-	524	419
General expenses	19,966	7,701	2,142	-	29,809	35,461
Depreciation	11,423	7,967	3,761	-	23,151	27,801
Irrecoverable VAT	400	800	400	-	1,600	110
Governance costs	7,544	2,909	809	-	11,262	17,596
	<u>574,893</u>	<u>222,146</u>	<u>71,880</u>	<u>-</u>	<u>868,919</u>	<u>878,141</u>
2021 total	<u>568,469</u>	<u>224,343</u>	<u>85,329</u>	<u>-</u>	<u>878,141</u>	

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

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

12 GOVERNANCE COSTS

	Unrestricted Funds £	2022 Total £	2021 Total £
Accountancy fees	500	500	1,350
Auditor remuneration	10,049	10,049	14,950
Legal and professional fees	713	713	1,296
	<u>11,262</u>	<u>11,262</u>	<u>17,596</u>

13 NET INCOMING RESOURCES FOR THE YEAR

	2022 £	2021 £
Net incoming resources for the year are stated after charging:		
Auditor's remuneration	10,049	14,950
Non audit services	500	1,350
Depreciation of owned fixed assets	80,591	85,241
Operating lease rentals – land and buildings	186,411	173,136
	<u></u>	<u></u>

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

	Costs of raising funds £	Charitable expenditure £	2022 Total £	2021 Total £
Wages and salaries	767,267	1,854,579	2,621,846	2,527,167
Social security costs	52,513	149,838	202,351	195,050
Pension costs	25,005	181,743	206,748	203,741
Termination payments	-	1,043	1,043	26,198
Salaries paid via service level agreements	-	24,258	24,258	37,892
	<u>844,785</u>	<u>2,211,461</u>	<u>3,056,246</u>	<u>2,990,048</u>

Throughout the Covid-19 pandemic it has been necessary to review the entire landscape of service delivery and fundraising mechanisms which resulted in the above termination payments.

Employees' emoluments

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

	2022 Number	2021 Number
£60,000 to £70,000	<u>1</u>	<u>1</u>

The number of higher paid employees accruing pension benefit was:

	2022 Number	2021 Number
Defined contribution scheme – salary sacrifice arrangement	<u>1</u>	<u>1</u>

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

Pension contributions paid in the year in respect of the above staff were £3,453 (2021: £3,434).

Key management personnel

The key management personnel of the group comprise those of the charity and the key management personnel of its wholly owned subsidiary Teesside Hospice (Trading) Limited. The total employee benefits of the key management personnel of the group were £310,335 (2021: £295,427).

Trustees' remuneration

The Trustees received no remuneration during the year (2021: £nil) and no Trustee individually received payment for professional or other services supplied to the charity (2021: £nil).

The aggregate amount of expenses reimbursed to the Trustees for the year was £20 (2021: £nil). The number of persons reimbursed was 1 (2021: 0). This was in respect of an evening meal at the Hospice UK conference.

15 STAFF NUMBERS

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

	2022 Number (Headcount)	2022 Number (FTE)	2021 Number (Headcount)	2021 Number (FTE)
Hospice services				
IPU	30	25	32	25
Medical	6	3	6	3
Wellbeing	5	3	5	3
Administration	14	12	17	13
Kitchen	5	3	4	3
Cleaning	7	4	7	4
Bereavement	3	2	3	2
AHP	3	2	5	2
Establishment	3	3	3	3
Lymphoedema	9	5	8	6
	85	62	90	64
Income generation	43	36	37	32
	128	98	127	96

On average 9 bank staff are used per month.

The Hospice is recharged by South Tees Hospitals NHS Foundation Trust and Tees Esk & Wear Valleys NHS Foundation Trust for the salaries of employees as follows:

	2022 Number	2021 Number
AHP	3	3

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

16 TAXATION

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

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

17 FINANCIAL PERFORMANCE OF THE CHARITY

A separate Statement of Financial Activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006. The net incoming resources before gains and loss for the year for the charity was £365,268 (2021: £1,302,816).

18 TANGIBLE FIXED ASSETS – GROUP

	Freehold buildings £	Leasehold improvements £	Freehold land £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost						
At 1 April 2021	2,358,751	32,102	556,439	317,508	35,368	3,300,168
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 31 March 2022	2,358,751	32,102	556,439	317,508	35,368	3,300,168
Depreciation						
At 1 April 2021	1,362,475	32,102	-	238,676	35,368	1,668,621
Charge for the year	58,100	-	-	22,491	-	80,591
Disposals	-	-	-	-	-	-
At 31 March 2022	1,420,575	32,102	-	261,167	35,368	1,749,212
Net book values						
At 31 March 2022	938,176	-	556,439	56,341	-	1,550,956
At 31 March 2021	996,276	-	556,439	78,832	-	1,631,547

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

19 TANGIBLE FIXED ASSETS – CHARITY

	Freehold buildings £	Freehold land £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2021	2,358,751	556,439	220,773	35,368	3,171,331
Additions	-	-	-	-	-
Transferred from subsidiary	-	-	-	-	-
At 31 March 2022	<u>2,358,751</u>	<u>556,439</u>	<u>220,773</u>	<u>35,368</u>	<u>3,171,331</u>
Depreciation					
At 1 April 2021	1,362,475	-	171,133	35,368	1,568,976
Charge for the year	58,100	-	13,601	-	71,701
Transferred from subsidiary	-	-	-	-	-
At 31 March 2022	<u>1,420,575</u>	<u>-</u>	<u>184,734</u>	<u>35,368</u>	<u>1,640,677</u>
Net book values					
At 31 March 2022	<u>938,176</u>	<u>556,439</u>	<u>36,039</u>	<u>-</u>	<u>1,530,654</u>
At 31 March 2021	<u>996,276</u>	<u>556,439</u>	<u>49,640</u>	<u>-</u>	<u>1,602,355</u>

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

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20 FIXED ASSET INVESTMENT – GROUP AND CHARITY

	Listed investments £	Investment property £	Cash held as part of the investment portfolio £	Total £
Valuation				
At 1 April 2021	2,872,780	110,000	44,749	3,027,529
Additions	991,556	-	1,087,931	2,079,487
Disposals	(387,921)	-	(1,015,322)	(1,403,243)
Unrealised gain on revaluation of investments	192,368	10,000	-	202,368
At 31 March 2022	3,668,783	120,000	117,358	3,906,141
Historical cost as at 31 March 2022	3,143,604	92,500	117,358	3,353,462

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

All fixed asset investments are held within the United Kingdom.

The investment property was professionally revalued as at 31 March 2022 by Browns Estate Agency Limited, Chartered Surveyors, on an open market basis. Browns Estate Agency Limited are not connected with the group. The property has three restrictions attached which are in existence during the donor's lifetime: 1. it will not be occupied by more than two adults; 2. There will be no pets and 3. It will not be sold without the donor's consent.

21 STOCKS

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Stocks	31,474	24,645	-	1,046

22 DEBTORS

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade debtors	59,673	11,875	59,673	11,875
Amounts due from subsidiary undertaking	-	-	15,154	-
Other debtors	20,115	39,402	18,230	11,004
VAT receivable	23,467	28,098	24,783	14,750
Prepayments and accrued income	813,224	705,371	791,561	688,703
	916,479	784,746	909,401	726,332

23 SHORT TERM INVESTMENTS

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Cash equivalents on deposit	1,986,299	1,824,622	1,986,299	1,824,622

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

24 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade creditors	125,972	69,516	95,354	50,639
Amounts owed to group undertakings	-	-	-	63,162
Other tax and social security	50,344	48,575	50,344	48,575
Other creditors	35,570	30,711	29,195	26,605
Accruals and deferred income	148,174	272,472	31,073	137,943
	<u>360,060</u>	<u>421,274</u>	<u>205,966</u>	<u>326,924</u>
	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Deferred income				
Deferred income brought forward	197,962	257,794	85,200	176,757
Resources deferred in the year	93,808	122,962	100	10,200
Amounts released from previous year	<u>(197,762)</u>	<u>(182,794)</u>	<u>(85,000)</u>	<u>(101,757)</u>
Deferred income carried forward	<u>94,008</u>	<u>197,962</u>	<u>300</u>	<u>85,200</u>

Deferred income in the charity at 31 March 2021 included £75,000 received from The Edward Guy Foundation. £425,000 was donated to Teesside Hospice in March 2018 to continue to support the hospice for a further four years. The final £75,000 was recognised in the year to 31 March 2022. Deferred income in the group includes £93,708 in respect of lottery membership payments paid in advance for future draws.

25 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Lease liabilities	<u>7,155</u>	<u>9,937</u>	<u>-</u>	<u>-</u>

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

26 FINANCIAL INSTRUMENTS

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
FINANCIAL ASSETS				
Debt instruments measured at amortised cost:				
Trade debtors	59,673	11,875	59,673	11,875
Other debtors	18,230	37,517	18,230	11,004
Accrued income	728,285	636,506	728,285	636,506
TOTAL	806,188	685,898	806,188	659,385
FINANCIAL LIABILITIES				
Measured at amortised cost:				
Trade creditors	125,972	69,516	95,354	50,639
Other creditors	35,570	30,711	29,195	26,605
Accruals	54,166	74,510	30,773	52,743
Rent liabilities due after more than one year	7,155	9,937	-	-
TOTAL	222,863	184,674	155,322	129,987

27 ANALYSIS OF NET ASSETS BETWEEN FUNDS – GROUP

	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
Fund balances at 31 March 2022 represented by:				
Tangible fixed assets	1,002,171	548,785	1,550,956	1,631,547
Investment assets	3,906,141	-	3,906,141	3,027,529
Current assets	4,199,414	25,499	4,224,913	4,562,836
Current liabilities and provisions	(367,215)	-	(367,215)	(431,211)
	8,740,511	574,284	9,314,795	8,790,701
2021 total	8,162,157	628,544	8,790,701	

ANALYSIS OF NET ASSETS BETWEEN FUNDS – CHARITY

	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
Fund balances at 31 March 2022 represented by:				
Tangible fixed assets	981,869	548,785	1,530,654	1,602,355
Investment assets	3,906,143	-	3,906,143	3,027,531
Current assets	3,997,665	25,499	4,023,164	4,383,397
Current liabilities and provisions	(205,966)	-	(205,966)	(326,924)
	8,679,711	574,284	9,253,995	8,686,359
2021 total	8,057,815	628,544	8,686,359	

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

28 RETIREMENT BENEFITS

The trading company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The contributions payable by the company charged to income and expenditure amounted to £16,570 (2021: £13,954).

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

Total pension contributions payable by the group charged to income and expenditure amounted to £206,748 (2021: £203,741). Pension costs have been allocated based on the member of staff to whom the cost relates and the department they work in. Total contributions for all three pension schemes totalling £29,025 (2021: £26,525) were payable to the fund at the year end and are included in creditors.

NHS Pension Scheme

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

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

The 1995 and 2008 Schemes are "final salary" schemes. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last 3 years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. The 2015 Scheme is a career average re-valued earnings scheme with annual pension based on 1/54th of each years pensionable earnings as re-valued by Treasury rates. With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in consumer prices in the twelve months ending 30 September in the previous calendar year. On death, a pension of 50% of the member's pension is normally payable to the surviving spouse. From 1 April 2022, all active members will become members of the 2015 NHS Pension Scheme, they will automatically move over from the 1995/2008 Scheme and start building benefits on the 2015 Scheme.

The Scheme is subject to a full actuarial valuation every four years, and an FRS102 accounting valuation every year. In March 2019 a consultation response was published which increased the employer contribution rate to 20.68% (including an administration levy) from 1 April 2019. For the first four years the employer will pay at the existing rate of 14.38% with the balance being funded by government.

The valuation of scheme liability in accordance with FRS102 is carried out annually by the Scheme Actuary. The latest assessment of the liabilities of the Scheme is contained in the Scheme Actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Resource Accounts, published annually. These accounts can be viewed on the NHS Pensions website.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

29 UNRESTRICTED FUNDS – GROUP

2020/21	At 1 April 2020 £	Incoming resources £	Outgoing resources £	Gains, losses & transfers £	At 31 March 2021 £
General reserves					
Charity	6,305,422	3,286,471	(2,459,746)	25,668	7,157,815
Non- charitable trading funds	134,370	1,599,448	(1,103,140)	(526,336)	104,342
Total General reserves	6,439,792	4,885,919	(3,562,886)	(500,668)	7,262,157
Designated development fund	21,045	-	(20,139)	(906)	-
Designated property fund	-	-	-	500,000	500,000
Designated deficits fund	-	-	-	400,000	400,000
	<u>6,460,837</u>	<u>4,885,919</u>	<u>(3,583,025)</u>	<u>398,426</u>	<u>8,162,157</u>

2021/22	At 1 April 2021 £	Incoming resources £	Outgoing resources £	Gains, losses & transfers £	At 31 March 2022 £
General reserves					
Charity	7,157,815	2,612,856	(3,007,305)	1,016,345	7,779,711
Non- charitable trading funds	104,342	2,009,848	(1,239,780)	(813,610)	60,800
Total General reserves	7,262,157	4,622,704	(4,247,085)	202,735	7,840,511
Designated property fund	500,000	-	-	-	500,000
Designated deficits fund	400,000	-	-	-	400,000
	<u>8,162,157</u>	<u>4,622,704</u>	<u>(4,247,085)</u>	<u>202,735</u>	<u>8,740,511</u>

UNRESTRICTED FUNDS – CHARITY ONLY

2020/21	At 1 April 2020 £	Incoming resources £	Outgoing resources £	Gains, losses & transfers £	At 31 March 2021 £
General reserves	6,305,422	3,831,407	(2,478,346)	(500,668)	7,157,815
Designated development fund	21,045	-	(20,139)	(906)	-
Designated property fund	-	-	-	500,000	500,000
Designated deficits fund	-	-	-	400,000	400,000
	<u>6,326,467</u>	<u>3,831,407</u>	<u>(2,498,485)</u>	<u>398,426</u>	<u>8,057,815</u>

2021/22	At 1 April 2021 £	Incoming resources £	Outgoing resources £	Gains, losses & transfers £	At 31 March 2022 £
General reserves	7,157,815	3,445,066	(3,025,905)	202,735	7,779,711
Designated property fund	500,000	-	-	-	500,000
Designated deficits fund	400,000	-	-	-	400,000
	<u>8,057,815</u>	<u>3,445,066</u>	<u>(3,025,905)</u>	<u>202,735</u>	<u>8,679,711</u>

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

Name of unrestricted fund	Description, nature and purposes of the fund
General reserves	The general reserves represent the free funds of the charity which are not designated for any particular purpose.
Designated funds	<p>In previous years, the Trustees agreed that Teesside Hospice have a Development Fund to enable steady growth and development of clinical services. The Development Fund projects ended on 31/01/21.</p> <p>In March 2021 Trustees agreed to designate £500,000 for the purchase of commercial property, further details of which are given in the reserves policy. At this time Trustees also agreed that, despite the challenges faced in the year to 31 March 2021, the year has seen very positive financial results due to one-off government assistance. This non-recurrent income was required to support the hospice for a longer period of time than the 2020/21 financial year. Therefore, £400,000 was designated to be used against the 2021/22 budgeted deficit which has been carried forward to 2022/23.</p>

30 RESTRICTED FUNDS – GROUP AND CHARITY

	At 1 April 2020 £	Incoming resources £	Outgoing resources £	Gains, losses & transfers £	At 31 March 2021 £
2020/21					
Building Fund	582,445	-	(31,408)	-	551,037
Local CCGs	-	60,886	(60,886)	-	-
Macmillan Cancer Support	529	17,322	(17,322)	-	529
Dementia UK	-	1,757	(1,757)	-	-
Individual Supporters	583	670	(1,253)	-	-
Edward Guy Foundation	17,000	-	-	-	17,000
Patient Comfort Appeal	52,851	-	(11,662)	(370)	40,819
Outreach Nurse Appeal	4,927	11,869	(16,796)	-	-
The Pearl & Trevor Low Fund	898	-	(288)	-	610
Ballinger Trust	-	1,000	(1,000)	-	-
Jack Brunton Trust	-	2,878	(2,878)	-	-
Middlesbrough Council	-	21,174	(7,090)	-	14,084
Hadrian Trust	-	1,000	(1,000)	-	-
Co Durham Community Foundation	-	14,550	(14,357)	(193)	-
Rothley Trust	-	1,500	(1,500)	-	-
Tees Valley Community Foundation	-	1,750	(1,730)	(20)	-
Community Foundation Tyne & Wear	-	2,878	(2,878)	-	-
Ruby & Will George Trust	-	2,500	(1,317)	-	1,183
Morrisons Foundation	-	3,093	(3,093)	-	-
Warburtons	-	250	(250)	-	-
National Lottery Fund	-	24,929	(24,929)	-	-
The Percy Bilton Charity	-	400	(400)	-	-
JGW Patterson Foundation	-	14,000	(14,000)	-	-
HCP Social Infrastructure	-	2,825	(2,825)	-	-
Card Factory Foundation	-	1,700	(1,700)	-	-
D'Oyly Carte Charitable Trust	-	3,000	-	-	3,000
The William Leech Charity	-	1,113	(831)	-	282
NHS England	-	598,466	(598,466)	-	-
	<u>659,233</u>	<u>791,510</u>	<u>(821,616)</u>	<u>(583)</u>	<u>628,544</u>

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

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2021/22	At 1 April 2021 £	Incoming resources £	Outgoing resources £	Gains, losses & transfers £	At 31 March 2022 £
Building Fund	551,037	-	(31,408)	-	519,629
Local CCGs	-	61,008	(61,008)	-	-
Macmillan Cancer Support	529	-	-	-	529
Individual Supporters	-	2,870	(1,874)	-	996
Edward Guy Foundation	17,000	-	(6,606)	-	10,394
Patient Comfort Appeal	40,819	-	(11,662)	-	29,157
The Pearl & Trevor Low Fund	610	-	(610)	-	-
Jack Brunton Trust	-	3,000	(473)	-	2,527
Middlesbrough Council	14,084	27,863	(41,947)	-	-
Hadrian Trust	-	1,000	(1,000)	-	-
Rothley Trust	-	1,200	(1,200)	-	-
Tees Valley Community Foundation	-	4,411	(1,920)	-	2,491
Ruby & Will George Trust	1,183	2,250	(2,630)	-	803
Warburtons	-	400	(400)	-	-
D'Oyly Carte Charitable Trust	3,000	-	(3,000)	-	-
The William Leech Charity	282	-	-	(282)	-
Elise Pilkington Charitable Trust	-	1,500	(1,500)	-	-
Thirteen Group	-	1,498	(1,498)	-	-
Hospice Aid UK	-	900	(815)	(85)	-
City Fibre Holdings Ltd	-	552	(552)	-	-
Arnold Clark Community Fund	-	1,000	(1,000)	-	-
Venator Materials UK Ltd	-	250	(99)	-	151
Asda Foundation	-	1,000	(570)	-	430
Masonic Foundation	-	13,234	(13,234)	-	-
The Hospital Saturday Fund	-	2,000	(1,625)	-	375
Neighbourly Community Fund	-	1,800	(1,800)	-	-
Screwfix Foundation	-	6,802	-	-	6,802
Hospital of God	-	1,100	(1,100)	-	-
Middlesbrough & Stockton Mind	-	800	(800)	-	-
The Hedley Foundation	-	2,112	(2,112)	-	-
NHS England	-	130,000	(130,000)	-	-
	<u>628,544</u>	<u>268,550</u>	<u>(322,443)</u>	<u>(367)</u>	<u>574,284</u>

Name of restricted fund	Description, nature and purposes of the fund
Building fund	The building fund represents the net book value of the inpatient unit and annexed buildings. The fund is reduced by the depreciation charge on these fixed assets.
Local CCGs	From April 2018 the local CCG has funded the Lymphoedema Clinic Lead's salary, employer's national insurance costs and pension costs.
Macmillan Cancer Support	A bid was placed with Macmillan to fund comfort packs for service users. The balance of £529 will be used to purchase items for the packs in 2022/23.
Individual Supporters	During the year, individual supporters made donations specifically for the benefit of core clinical services. These monies were spent on complementary therapies, lymphoedema equipment and a thank you event. Two balances remain and will be spent in 2022/23.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

Edward Guy Foundation	Edward Guy Foundation kindly contributed £17,000 in 18/19 to be used for the purchase of 'Sky Inside' windows within a new build on the land acquired that year. Due to the timescale of this development changing, it was agreed this purchase was made for installations in the hospice building in 2021/22. A balance of £10,394 remains.
Patient Comfort Appeal	In March 2019 Teesside Hospice launched the Patient Comfort Appeal with the target of raising £49,000 for 10 new specialist beds for the Inpatient Unit. The appeal was very successful. The fund is reduced by the depreciation charge on these fixed assets.
The Pearl & Trevor Low Fund	A previous member of staff obtained funding for complementary therapy clinics at the hospice. The brought forward balance of £610 was spent on consumables in the year.
Jack Brunton Trust	This kind donation was made to service clinical equipment such as syringe drivers and hoists. £473 was spent leaving £2,527 to spend in 2022/23.
Middlesbrough Council	Middlesbrough Council awarded various funds during the previous and current year. Two funds had balances which were brought forward: <ul style="list-style-type: none"> • £2,500 – carers outreach programme paid for counselling and wellbeing centre staffing; • £11,584 – expenditure included website development and patient bed servicing. During 2021/22 funds totalling £12,863 were distributed to be used for infection prevention control, rapid testing, vaccination rollout and workforce retention. A separate grant of £15,000 was awarded for a wellbeing recovery programme which paid for clinical staffing and education. All funds were fully utilised by 31 March 2022.
Hadrian Trust	The Hadrian Trust again awarded £1,000 to be spent on bereavement counselling hours.
Rothley Trust	Rothley Trust kindly supported the servicing of our thermostatic mixing valves with £1,200.
Tees Valley Community Foundation	Kindly donated three separate amounts. £1,000 was in respect of counselling resources and £920 in respect of a laptop. The final amount of £2,491 is for uniforms and is carried forward at 31 March 2022.
Ruby & Will George Trust	Generously supporting our financial sustainability by contributing towards CIMA studies. A balance of £803 has been spent in April 2022. Also kindly supporting advanced palliative care studies in the sum of £2,250.
Warburtons	Warburton donated £400 which was used to provide refreshments within the clinical services.
D'Oyly Carte Charitable Trust	£3,000 was donated to be spent on therapy sessions. During the year this has funded Tai Chi and Yoga sessions for patients.
The William Leech Charity	A brought forward balance of £282 was transferred to unrestricted funds in 2021/22.
Elise Pilkington Charitable Trust	£1,500 was kindly donated to fund clinical IT needs.
Thirteen Group	£1,498 was spent on resources to support families with loved ones accessing clinical services.
Hospice Aid UK	£815 was spent on bespoke stethoscopes leaving a balance of £85 which was transferred to unrestricted donations.
City Fibre Holdings	£552 to boost wi-fi enabling better IT working within the hospice.

TEESSIDE HOSPICE CARE FOUNDATION

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Arnold Clark Community Fund	£1,000 paid for 50 hours of counselling services.
Venator Material UK	£250 was donated to be spent on bereavement books and memory boxes. £151 is to spend in 2022/23.
Asda Foundation	£1,000 was donated to be spent on wellbeing activities and counselling hours. £430 remains to be spent on IPU equipment.
Masonic Charitable Foundation	An improving equality and diversity in hospice care project. £13,234 largely relates to salaries of specific posts with the aim of broadening access to Teesside Hospice for everyone. The project continues to 30 September 2022.
The Hospital Saturday Fund	£2,000 was donated to refresh staff uniforms with £375 carried forward to spend in 2022/23.
Neighbourly Community Fund	£1,800 purchased a sit on lawn mower to keep our grounds cared for.
Screwfix Foundation	£6,802 was donated to install a car park barrier. Once planning processes have been cleared with the local authority the installation will take place.
Hospital of God	£1,100 funded counselling hours and staff and volunteer wellbeing.
Middlesbrough & Stockton Mind	£800 was donated to be spent on fitness sessions. During the year this has funded Tai Chi and Yoga sessions for patients.
The Hedley Foundation	£2,112 purchased Doppler machines for the lymphoedema clinic.
NHS England	The NHSE awarded funding to allow the hospice to make capacity available to the NHS from December 2021 to March 2022.

31 COMMITMENTS UNDER OPERATING LEASE COMMITMENTS

Group and charity

The group as a lessee:

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

	2022	2021
	Land and buildings	Land and buildings
	£	£
Operating leases which expire:		
Within 1 year	198,950	204,956
Between 1 and 5 years	661,401	718,418
Greater than 5 years	90,167	210,525
	<u>950,518</u>	<u>1,133,899</u>

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

Lease costs of £186,411 have been recognised as an expense in the year for the group and £205,011 for the charity. The trading subsidiary leases part of 408/410 Linthorpe Road from the charity which is removed from the group accounts.

TEESSIDE HOSPICE CARE FOUNDATION

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The charity as a lessor:

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

	2022 Land and buildings £	2021 Land and buildings £
Operating leases which expire:		
Within 1 year	19,200	18,000
Between 1 and 5 years	57,600	72,000
	<hr/>	<hr/>
	76,800	90,000

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

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

	2022 £	2021 £
Net incoming movement in funds	524,094	1,670,631
Gain on revaluation of investments	(202,368)	(397,843)
Income from investments	(58,820)	(51,487)
Interest receivable	(14,660)	(23,624)
Depreciation	80,591	85,241
(Increase)/Decrease in stocks	(6,829)	645
Increase in debtors	(131,733)	(59,870)
Decrease in creditors	(63,996)	(14,576)
	<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities	126,279	1,209,117

33 LEGAL STATUS OF THE CHARITY

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

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

34 RELATED PARTY TRANSACTIONS

The Clinkard Group Limited

The group benefits from the kind support of The Clinkard Group Limited. Teesside Hospice (Trading) Limited and The Clinkard Group Limited share a common Director, T Payne. In the year ended 31 March 2022 £2,500 (2021: £2,500) was generously donated to assist fundraising activity.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

Hospice UK

David Smith, Chief Executive is a Trustee on the Board of Hospice UK. We pay annual membership fees of £1,285 (2021: £1,260) to Hospice UK. Hospice UK also administered NHS England funding of £130,000 (2021: £598,466) during the year.

ACEVO

David Smith, Chief Executive is a Trustee on the Board of ACEVO (Association of Chief Executives of Voluntary Organisations). We pay annual membership fees of £479 (2021: £367) to ACEVO.

Teesside Hospice (Trading) Limited

During the year, the charity engaged in the following transactions with the wholly owned trading subsidiary. At 31 March 2022 the unsecured amount owed to Teesside Hospice Care Foundation was £15,154.

	Lottery Future Credits	Intercompany Account	Total
As at 1 April 2021	(81,657)	18,495	(63,162)
410 Linthorpe Road office	-	58,212	58,212
Payroll	-	609,146	609,146
Gift Aid covenant	-	813,610	813,610
Gift Aided retail sales	-	204,683	204,683
Donor management charges	-	(169,330)	(169,330)
Amounts paid to incorrect bank	-	21,318	21,318
Paid	-	(1,459,323)	(1,459,323)
Transfer	2,907	(2,907)	-
As at 31 March 2022	(78,750)	93,904	15,154

Teesside Hospice (Trading) Limited operates the weekly lottery in which members pay in advance for future draws. The balance of £78,750 would be repayable at 31 March 2022 should the lottery cease. The funds have been remitted to Teesside Hospice Care Foundation in previous years. The above balance therefore represents the charity's liability to lottery members at the year end.

