

Teesside Hospice Care Foundation
(A Company limited by guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 MARCH 2023

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2023

Statement from the Chief Executive

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

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

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

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

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

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



David Smith
Chief Executive

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2023

Directors and Trustees

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

Trustees:	E. Criddle - Chairperson J. Davies (appointed 01/12/2022) M. C. Ellington M.P.R. Firman M. D. Flannery (resigned 01/09/2022) C. Langrick T.J.O. Payne J. Sheridan G. Whitehead
Key management personnel:	All Trustees as listed above and the Senior Management Team: Chief Executive – D. Smith Finance Director/Deputy CEO – A. Wardle Director of Nursing & Quality – D. Edwards Director of Income Generation – D. Coulson HR Manager – L. McMann (appointed 06/06/2022) Workforce Development Manager – A. Doyle (resigned 30/06/2022) Head of Retail – C. McMahon
Company registration number:	01642201
Registered charity number:	512875
Registered office:	1 Northgate Road Linthorpe Middlesbrough TS5 5NW
Bankers:	Royal Bank of Scotland 31 Grey Street Newcastle Upon Tyne NE1 6ES
Solicitors:	Jacksons Law 17 Falcon Court Preston Farm Industrial Estate Stockton on Tees TS18 3TU

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Auditor:	Waltons Business Advisers Limited Maritime House Harbour Walk Hartlepool TS24 0UX
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Investment advisors:	Rathbone Investment Management Earl Grey House 75-85 Grey Street Newcastle NE1 6EF
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DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2023

The Trustees are pleased to present their annual report together with the financial statements of the charity and group for the year ended 31 March 2023. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the organisation's Memorandum and Articles of Association and Accounting and Reporting by Charities Statement of Recommended Practice Applicable to charities preparing their accounts in accordance with the Financial Reporting Standard Applicable in the UK (FRS 102) (effective 1 January 2019).

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

Objectives and activities

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

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

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

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

Strategic aim and objectives

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

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

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

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

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For the year ended 31 March 2023

Activities for achieving objectives

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

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

Structure, governance and management

Governing document

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

Governing body

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

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

Trustee recruitment, induction and training

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

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

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

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

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

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For the year ended 31 March 2023

Organisational structure

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

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

Pay policy for key management personnel

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

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

Staff

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

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

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

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

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Our fundraising practice

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

Related parties

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

Strategic Report

Achievements and performance

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

The Quality and Performance Committee

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

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

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

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

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The Care Quality Commission

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

- Treatment of disease, disorder or injury

Teesside Hospice is registered with the following conditions:

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

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

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

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

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

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

Volunteers

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

Financial review

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

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

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

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

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

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

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

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

Commercial Activities

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

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

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

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Highlights include:

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

Charitable Activities

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

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

Key Performance Indicators are as follows:

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

Risk management

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

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

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

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

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

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

Reserves

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

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

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

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

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

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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, the 2022/23 year has seen positive financial results. Consequently, Trustees carried forward the designation of £400k to allow for the reduction in free reserves budgeted for 2023/24.

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

Investment powers and policy

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

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

Plans for future periods

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

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

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

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

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

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

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

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2023

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

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

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

Other plans for the future

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

Going concern

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

Auditors

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

Statement of Trustees' responsibilities

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

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

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

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

TEESSIDE HOSPICE CARE FOUNDATION

DIRECTORS' AND TRUSTEES' REPORT

For the year ended 31 March 2023

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


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

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

Statement as to disclosure of information to auditors

In so far as the Trustees are aware

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

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

E Criddle
Trustee

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

Unqualified Opinion

We have audited the financial statements of Teesside Hospice Care Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2023 and of the charity's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

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


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

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

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

Use of our report

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



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

Date: 19 September 2023

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

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

TEESSIDE HOSPICE CARE FOUNDATION

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

For the year ended 31 March 2023

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

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

All of the above amounts relate to continuing activities.

TEESSIDE HOSPICE CARE FOUNDATION

Company number 01642201

Registered Charity Number 512875

CONSOLIDATED AND CHARITY BALANCE SHEETS AT 31 MARCH 2023

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

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

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



E Criddle
Trustee



M Firman
Trustee

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

TEESSIDE HOSPICE CARE FOUNDATION

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2023

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

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

1 ACCOUNTING POLICIES

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

BASIS OF ACCOUNTING

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

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

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

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

REDUCED DISCLOSURE OPTIONS

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

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

GOING CONCERN

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

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

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

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

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

BASIS OF CONSOLIDATION

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

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

INCOME

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

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

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

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

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

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

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

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

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

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

RESOURCES EXPENDED

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

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

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

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

OPERATING LEASE AGREEMENTS

The group as a lessee

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

The group as lessor

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

FUNDS ACCOUNTING - The funds held by the charity are:

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

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

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

TANGIBLE FIXED ASSETS

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

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

INVESTMENTS

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

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

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

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

STOCK

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

DEBTORS

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

CASH AT BANK AND IN HAND

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

CREDITORS AND PROVISIONS

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

FINANCIAL INSTRUMENTS

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

Financial assets: Trade and other debtors

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

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

Financial liabilities: Trade and other creditors

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

DEFERRED TAXATION

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

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

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

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

EMPLOYEE BENEFITS

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

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

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

RETIREMENT BENEFITS

Multi-Employer Plan

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

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

Defined contribution plan

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

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical areas of judgement

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

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

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

2 DONATIONS AND LEGACIES

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

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

3 INCOME FROM CHARITABLE ACTIVITIES

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

4 OTHER TRADING ACTIVITIES

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

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

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

5 TRADING SUBSIDIARY

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

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

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

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

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

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

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

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

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

6 INVESTMENTS

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

The investments income in 2022 all related to unrestricted funds.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

7 OTHER INCOME

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

The other income in 2022 all related to unrestricted funds.

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

8 RAISING FUNDS: COMMERCIAL TRADING ACTIVITY

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

9 COSTS OF CHARITABLE ACTIVITIES – BY FUND TYPE

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

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

10 COSTS OF CHARITABLE ACTIVITIES – BY ACTIVITY

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

11 ANALYSIS OF DIRECT AND SUPPORT COSTS

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

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

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

12 GOVERNANCE COSTS

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

The governance costs in 2022 all related to unrestricted funds.

13 NET INCOMING RESOURCES FOR THE YEAR

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

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

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

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

Employees' emoluments

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

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

The number of higher paid employees accruing pension benefit was:

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

TEESSIDE HOSPICE CARE FOUNDATION

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For the year ended 31 March 2023

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

Key management personnel

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

Trustees' remuneration

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

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

15 STAFF NUMBERS

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

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

On average 12 bank staff are used per month.

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

	2023 Number	2022 Number
AHP	3	3

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

16 TAXATION

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

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

17 FINANCIAL PERFORMANCE OF THE CHARITY

A separate Statement of Financial Activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006. The net incoming resources before gains and loss for the year for the charity was £61,658 (2022: £365,268).

18 TANGIBLE FIXED ASSETS – GROUP

	Freehold buildings £	Leasehold improvements £	Freehold land £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost						
At 1 April 2022	2,358,751	32,102	556,439	317,508	35,368	3,300,168
Additions	-	-	-	5,091	-	5,091
Disposals	-	-	-	-	-	-
At 31 March 2023	<u>2,358,751</u>	<u>32,102</u>	<u>556,439</u>	<u>322,599</u>	<u>35,368</u>	<u>3,305,259</u>
Depreciation						
At 1 April 2022	1,420,575	32,102	-	261,167	35,368	1,749,212
Charge for the year	58,100	-	-	23,170	-	81,270
Disposals	-	-	-	-	-	-
At 31 March 2023	<u>1,478,675</u>	<u>32,102</u>	<u>-</u>	<u>284,337</u>	<u>35,368</u>	<u>1,830,482</u>
Net book values						
At 31 March 2023	<u>880,076</u>	<u>-</u>	<u>556,439</u>	<u>38,262</u>	<u>-</u>	<u>1,474,777</u>
At 31 March 2022	<u>938,176</u>	<u>-</u>	<u>556,439</u>	<u>56,341</u>	<u>-</u>	<u>1,550,956</u>

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

19 TANGIBLE FIXED ASSETS – CHARITY

	Freehold buildings £	Freehold land £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2022	2,358,751	556,439	220,773	35,368	3,171,331
Additions	-	-	-	-	-
Transferred from subsidiary	-	-	-	-	-
At 31 March 2023	<u>2,358,751</u>	<u>556,439</u>	<u>220,773</u>	<u>35,368</u>	<u>3,171,331</u>
Depreciation					
At 1 April 2022	1,420,575	-	184,734	35,368	1,640,677
Charge for the year	58,100	-	13,601	-	71,701
Transferred from subsidiary	-	-	-	-	-
At 31 March 2023	<u>1,478,675</u>	<u>-</u>	<u>198,335</u>	<u>35,368</u>	<u>1,712,378</u>
Net book values					
At 31 March 2023	<u>880,076</u>	<u>556,439</u>	<u>22,438</u>	<u>-</u>	<u>1,458,953</u>
At 31 March 2022	<u>938,176</u>	<u>556,439</u>	<u>36,039</u>	<u>-</u>	<u>1,530,654</u>

20 FIXED ASSET INVESTMENT – GROUP AND CHARITY

	Listed investments £	Investment property £	Cash held as part of the investment portfolio £	Total £
Valuation				
At 1 April 2022	3,668,783	120,000	117,358	3,906,141
Additions	718,621	-	726,381	1,445,002
Disposals	(326,381)	-	(745,815)	(1,072,196)
Unrealised gain on revaluation of investments	(192,390)	-	-	(192,390)
At 31 March 2023	<u>3,868,633</u>	<u>120,000</u>	<u>97,924</u>	<u>4,086,557</u>
Historical cost as at 31 March 2023	<u>3,421,019</u>	<u>92,500</u>	<u>97,924</u>	<u>3,611,443</u>

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

All fixed asset investments are held within the United Kingdom.

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

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

21 STOCKS

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Stocks	<u>56,384</u>	<u>31,474</u>	<u>15,637</u>	<u>-</u>

22 DEBTORS

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Trade debtors	4,803	59,673	4,803	59,673
Amounts due from subsidiary undertaking	-	-	49,977	15,154
Other debtors	31,685	20,115	22,300	18,230
VAT receivable	20,541	23,467	26,139	24,783
Prepayments and accrued income	<u>270,258</u>	<u>813,224</u>	<u>250,688</u>	<u>791,561</u>
	<u>327,287</u>	<u>916,479</u>	<u>353,907</u>	<u>909,401</u>

23 SHORT TERM INVESTMENTS

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Cash equivalents on deposit	<u>2,331,819</u>	<u>1,986,299</u>	<u>2,331,819</u>	<u>1,986,299</u>

24 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Trade creditors	66,108	125,972	63,669	95,354
Other tax and social security	53,157	50,344	53,157	50,344
Other creditors	35,916	35,570	29,965	29,195
Accruals and deferred income	<u>155,733</u>	<u>148,174</u>	<u>49,582</u>	<u>31,073</u>
	<u>310,914</u>	<u>360,060</u>	<u>196,373</u>	<u>205,966</u>
	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Deferred income				
Deferred income brought forward	94,008	197,962	300	85,200
Resources deferred in the year	92,996	93,808	13,830	100
Amounts released from previous year	<u>(94,008)</u>	<u>(197,762)</u>	<u>(300)</u>	<u>(85,000)</u>
Deferred income carried forward	<u>92,996</u>	<u>94,008</u>	<u>13,830</u>	<u>300</u>

Deferred income in the charity at 31 March 2021 included £75,000 received from The Edward Guy Foundation. £425,000 was donated to Teesside Hospice in March 2018 to continue to support the hospice for a further four years. The final £75,000 was recognised in the year to 31 March 2022. Deferred income in the group includes £79,166 in respect of lottery membership payments paid in advance for future draws/donations.

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

25 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Lease liabilities	6,428	7,155	-	-

26 FINANCIAL INSTRUMENTS

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
FINANCIAL ASSETS				
Debt instruments measured at amortised cost:				
Trade debtors	4,803	59,673	4,803	59,673
Other debtors	22,300	18,230	22,300	18,230
Accrued income	194,279	728,285	194,279	728,285
TOTAL	221,382	806,188	221,382	806,188
FINANCIAL LIABILITIES				
Measured at amortised cost:				
Trade creditors	66,108	125,972	63,669	95,354
Other creditors	35,916	35,570	29,965	29,195
Accruals	62,737	54,166	35,752	30,773
Rent liabilities due after more than one year	6,428	7,155	-	-
TOTAL	171,189	222,863	129,386	155,322

27 ANALYSIS OF NET ASSETS BETWEEN FUNDS – GROUP

	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
Fund balances at 31 March 2023 represented by:				
Tangible fixed assets	969,062	505,715	1,474,777	1,550,956
Investment assets	4,086,557	-	4,086,557	3,906,141
Current assets	3,897,865	38,631	3,936,496	4,224,913
Current liabilities and provisions	(317,342)	-	(317,342)	(367,215)
	8,636,142	544,346	9,180,488	9,314,795
2022 total	8,740,511	574,284	9,314,795	

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

ANALYSIS OF NET ASSETS BETWEEN FUNDS – CHARITY

	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
Fund balances at 31 March 2023 represented by:				
Tangible fixed assets	953,238	505,715	1,458,953	1,530,654
Investment assets	4,086,559	-	4,086,559	3,906,143
Current assets	3,735,493	38,631	3,774,124	4,023,164
Current liabilities and provisions	(196,373)	-	(196,373)	(205,966)
	<u>8,578,917</u>	<u>544,346</u>	<u>9,123,263</u>	<u>9,253,995</u>
2022 total	<u>8,679,711</u>	<u>574,284</u>	<u>9,253,995</u>	

28 RETIREMENT BENEFITS

The trading company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The contributions payable by the company charged to income and expenditure amounted to £18,728 (2022: £16,570).

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

Total pension contributions payable by the group charged to income and expenditure amounted to £228,077 (2022: £206,748). Pension costs have been allocated based on the member of staff to whom the cost relates and the department they work in. Total contributions for all three pension schemes totalling £29,965 (2022: £29,025) were payable to the fund at the year end and are included in creditors.

NHS Pension Scheme

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

At the balance sheet date there were 24 active members of the Scheme employed by the charity.

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

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

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

29 UNRESTRICTED FUNDS – GROUP

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

	At 1 April 2022 £	Incoming resources £	Outgoing resources £	Gains, losses & transfers £	At 31 March 2023 £
2022/23					
General reserves					
Charity	7,779,711	3,086,850	(3,533,810)	196,166	7,528,917
Non- charitable trading funds	60,800	2,063,218	(1,528,744)	(538,049)	57,225
Total General reserves	7,840,511	5,150,068	(5,062,554)	(341,883)	7,586,142
Designated property fund	500,000	-	-	-	500,000
Designated deficits fund	400,000	-	-	-	400,000
Designated digital fund	-	-	-	150,000	150,000
	<u>8,740,511</u>	<u>5,150,068</u>	<u>(5,062,554)</u>	<u>(191,883)</u>	<u>8,636,142</u>

UNRESTRICTED FUNDS – CHARITY ONLY

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

	At 1 April 2022 £	Incoming resources £	Outgoing resources £	Gains, losses & transfers £	At 31 March 2023 £
2022/23					
General reserves	7,779,711	3,644,099	(3,553,010)	(341,883)	7,528,917
Designated property fund	500,000	-	-	-	500,000
Designated deficits fund	400,000	-	-	-	400,000
Designated digital fund	-	-	-	150,000	150,000
	<u>8,679,711</u>	<u>3,644,099</u>	<u>(3,553,010)</u>	<u>(191,883)</u>	<u>8,578,917</u>

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

Name of unrestricted fund	Description, nature and purposes of the fund
General reserves	The general reserves represent the free funds of the charity which are not designated for any particular purpose.
Designated funds	<p>In March 2021 Trustees agreed to designate £500,000 for the purchase of commercial property, further details of which are given in the reserves policy. At that time Trustees also agreed that, despite the challenges faced in the year to 31 March 2021, the year had seen very positive financial results due to one-off government assistance. This non-recurrent income was required to support the hospice for a longer period of time than the 2020/21 financial year. Therefore, £400,000 was designated to be used against the 2021/22 budgeted deficit which was carried forward to 2022/23. The results for that year surpassed budget and consequently the fund remained available to transfer to utilise against the 2023/24 predicted deficit.</p> <p>The digital development of the organisation is a priority. A technology budget plan has been produced by the Senior Management Team with the assistance of the IT service provider. In order to invest in improving our knowledge, capability and confidence a designated fund of £150,000 has been established.</p>

30 RESTRICTED FUNDS – GROUP AND CHARITY

	At 1 April 2021 £	Incoming resources £	Outgoing resources £	Gains, losses & transfers £	At 31 March 2022 £
2021/22					
Building Fund	551,037	-	(31,408)	-	519,629
Local ICBs (formerly CCGs)	-	61,008	(61,008)	-	-
Individual Supporters	-	2,870	(1,874)	-	996
Grants & Trusts	5,604	26,773	(24,704)	(367)	7,306
Edward Guy Foundation	17,000	-	(6,606)	-	10,394
Patient Comfort Appeal	40,819	-	(11,662)	-	29,157
Middlesbrough Council	14,084	27,863	(41,947)	-	-
Masonic Charitable Foundation	-	13,234	(13,234)	-	-
Screwfix Foundation	-	6,802	-	-	6,802
NHS England	-	130,000	(130,000)	-	-
	<u>628,544</u>	<u>268,550</u>	<u>(322,443)</u>	<u>(367)</u>	<u>574,284</u>

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

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

Name of restricted fund	Description, nature and purposes of the fund
Building fund	The building fund represents the net book value of the inpatient unit and annexed buildings. The fund is reduced by the depreciation charge on these fixed assets.
Local ICBs	From April 2018 the local ICB has funded the Lymphoedema Clinic Lead's salary, employer's national insurance costs and pension costs.
Individual Supporters	During the year, individual supporters made donations specifically for the benefit of core clinical services. These monies were spent on wellbeing crafts, lymphoedema equipment, bereavement resources and IPU purchases. Three of these have been part spent with balances to be used in 2023/24.
Grants & Trusts	Various grant providers supported the Hospice again this year. These grants supported maintaining equipment, purchasing uniforms, developing electronic prescribing etc. Nine grants have a combined balance of £8,689 to be expended in 2023/24.
Edward Guy Foundation	Edward Guy Foundation kindly contributed £17,000 in 18/19. £5,205 was spent in the year on landscaping with £450 being used to make a leaf dedication on our memory tree. A balance of £4,739 remains.
Patient Comfort Appeal	In March 2019 Teesside Hospice launched the Patient Comfort Appeal with the target of raising £49,000 for 10 new specialist beds for the Inpatient Unit. The appeal was very successful. The fund is reduced by the depreciation charge on these fixed assets.
Masonic Charitable Foundation	An improving equality and diversity in hospice care project. £12,646 largely relates to salaries of specific posts with the aim of broadening access to Teesside Hospice for everyone. The project continued to its predetermined end of 30 September 2022.
Screwfix Foundation	£6,802 was donated to install a car park barrier. Planning processes have now cleared with the local authority ready for installation to take place in 2023/24.
St James's Place Charitable Foundation	A Satellite clinic was set up to hold weekly sessions in Brotton commencing February 2023. Funding of £5,725 has been claimed to hold these sessions which continue for a year.

TEESSIDE HOSPICE CARE FOUNDATION

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For the year ended 31 March 2023

Woodsmith Foundation	Similarly to the St James's Place outreach clinic, £18,000 was paid in advance by Woodsmith Foundation to hold satellite clinics in Redcar for the benefit of over 65s. The clinics commenced in March with a spend of £1,813 and will continue for a year with further funding to be received.
NHS England	The NHSE awarded funding to allow the hospice to make capacity available to the NHS from December 2021 to March 2022. The £8,710 was the amount received which exceeded the estimated debtor in the 2022 accounts.

31 COMMITMENTS UNDER OPERATING LEASE COMMITMENTS

Group and charity

The group as a lessee:

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

	2023 Land and buildings £	2022 Land and buildings £
Operating leases which expire:		
Within 1 year	217,100	198,950
Between 1 and 5 years	626,228	661,401
Greater than 5 years	34,333	90,167
	<u>877,661</u>	<u>950,518</u>

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

Lease costs of £210,057 have been recognised as an expense in the year for the group and £229,257 for the trading subsidiary. The subsidiary leases part of 408/410 Linthorpe Road from the charity which is removed from the group accounts.

The charity as a lessor:

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

	2023 Land and buildings £	2022 Land and buildings £
Operating leases which expire:		
Within 1 year	19,200	19,200
Between 1 and 5 years	38,400	57,600
	<u>57,600</u>	<u>76,800</u>

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

TEESSIDE HOSPICE CARE FOUNDATION

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For the year ended 31 March 2023

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

	2023 £	2022 £
Net incoming movement in funds	(134,307)	524,094
Gain on revaluation of investments	192,390	(202,368)
Income from investments	(91,358)	(58,820)
Interest receivable	(41,699)	(14,660)
Depreciation	81,270	80,591
Increase in stocks	(24,910)	(6,829)
Decrease/(Increase) in debtors	589,192	(131,733)
Decrease in creditors	(49,873)	(63,996)
Net cash (outflow)/inflow from operating activities	520,705	126,279

33 LEGAL STATUS OF THE CHARITY

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

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

34 RELATED PARTY TRANSACTIONS

The Clinkard Group Limited

The group benefits from the kind support of The Clinkard Group Limited. Teesside Hospice Care Foundation and Teesside Hospice (Trading) Limited and The Clinkard Group Limited share a common Trustee/Director, T Payne. In the year ended 31 March 2023 £2,500 (2022: £2,500) was donated to assist fundraising activity.

HR Alchemy

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

Hospice UK

David Smith, Chief Executive is a Trustee on the Board of Hospice UK. We pay annual membership fees of £858 (2022: £1,285) to Hospice UK. Hospice UK also administered NHS England funding in 2021/22 of which £8,710 is recognised in the current year (2022: £130,000).

ACEVO

David Smith, Chief Executive is a Trustee on the Board of ACEVO (Association of Chief Executives of Voluntary Organisations). We paid £2,078 (2022: £479) to ACEVO during the year. ACEVO paid Teesside Hospice £645 (2022: £83).

St Teresa's Hospice

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

TEESSIDE HOSPICE CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

Teesside Hospice (Trading) Limited

During the year, the charity engaged in the following transactions with the wholly owned trading subsidiary. At 31 March 2023 the unsecured amount owed to Teesside Hospice Care Foundation was £49,977.

	Lottery Future Credits	Intercompany Account	Total
As at 1 April 2022	(78,750)	93,904	15,154
410 Linthorpe Road office	-	65,911	65,911
Payroll	-	702,192	702,192
Gift Aid covenant	-	538,049	538,049
Gift Aided retail sales	-	285,092	285,092
Donor management charges	-	(285,737)	(285,737)
Amounts paid to incorrect bank	-	4,696	4,696
Paid	-	(1,275,380)	(1,275,380)
Transfer	13,426	(13,426)	-
As at 31 March 2023	(65,324)	115,301	49,977

Teesside Hospice (Trading) Limited operates the weekly lottery in which members pay in advance for future draws. The balance of £65,324 would be repayable at 31 March 2023 should the lottery cease. The funds have been remitted to Teesside Hospice Care Foundation in previous years. The above balance therefore represents the charity's liability to lottery members at the year end.

