

Company registration number: 02080756

Charity registration number: 518394

# **DARLINGTON & DISTRICT HOSPICE MOVEMENT T/A ST TERESA'S HOSPICE**

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2023

# **Darlington & District Hospice Movement T/A St Teresa's Hospice**

## **Contents**

Reference and Administrative Details	1
Trustees' Report	2 to 12
Independent Auditors' Report	13 to 15
Statement of Financial Activities	16
Statement of Financial Activities	17
Balance Sheet	18
Statement of Cash Flows	19
Notes to the Financial Statements	20 to 36

# **Darlington & District Hospice Movement T/A St Teresa's Hospice**

## **Reference and Administrative Details**

**Trustees** Mr A MacConachie OBE,DL, Hon DBA Honorary President, (not a director)  
Mrs C S Charlton (Chair)  
Col N C T Millen OBE  
Mrs S Warr (resigned 13 December 2022)  
Mr C J Clinkard  
Mr A I Spurr (resigned 24 November 2022)  
Councillor C B Hughes  
Mr M W Brown  
Mrs D Murphy

**Secretary** Mrs N J Myers

**Key Management Personnel** Nicola Myers, Chief Executive Officer  
Diane Farrell, Registered Manager  
Deborah Robins, Director of Care Services

The charity is incorporated in England and Wales.

**Charity Registration Number** 518394

**Company Registration Number** 02080756

**Registered Office** The Woodlands  
91 Woodland Road  
Darlington  
Durham  
DL3 7UA

**Bankers** Barclays Bank plc  
Darlington  
27 / 31 High Row  
Darlington  
Co Durham  
DL3 7QS

**Auditor** Azets Audit Services  
Bulman House  
Regent Centre  
Gosforth  
Newcastle upon Tyne  
NE3 3LS

# **Darlington & District Hospice Movement T/A St Teresa's Hospice**

## **Trustees' Report**

### **Statement from the Chief Executive**

As an independent Hospice we are pleased to report this year we experienced much less disruption from COVID-19 on our clinical services. However, the year has not been without its challenges, due at least in part to the financial legacy of the pandemic. Widespread economic pressures impacted adversely on our income generation streams and we saw a shortfall on budgeted predictions. Despite the backdrop of a very unstable economic climate, impacting both income and expenditure, we were able to perform overall better than our predicted deficit budget of just over half a million and ended with a deficit amounting to £336,044. Our free reserves mitigate the risk for the coming year, but we remain mindful that a deficit position is not sustainable year on year and we are putting measures in place to bring income and expenditure into balance.

Collaboration with our partners across health, social care and the voluntary and community sector has never been more important. We have benefited from the continued support from County Durham and Darlington Foundation Trust palliative care team throughout the year. We have also been planning for the future and in conjunction with Teesside Hospice have produced our corporate objectives. These objectives focus on themes including seeking and strengthening our partnerships, collaborative working and our transition to digital solutions, all designed to increase and strengthen the outcomes we deliver and ultimately putting the patient at the heart of everything we do.

Throughout the year our internal governance and assurance frameworks continued to develop, and these are working well with timely and accurate data available at appropriate levels in our organisation. This enables us to explore ways to develop our services to ensure we continue to meet the changing needs of our community, enhancing our patient, family, carer, and visitor experience.

In August we were randomly chosen to undergo an announced inspection as part of the CQC's assessment of their new inspection process. At this inspection our rating remained as before at 'good' overall. Alongside the overwhelmingly positive outcome data from those we care for and strong satisfaction ratings from our staff and our family and friends survey we take a good level of assurance that both our regulatory compliance and charitable impact is delivering the benefits we all expect.

Reflecting on service developments over the past year we are particularly proud of our new model for day services which offers people the skills, knowledge and confidence to manage the challenges and changes associated with living with a palliative illness. Thank you for your continued support. We couldn't have continued to improve the lives of local families without you.

**Nicola Myers, Chief Executive Officer**



# **Darlington & District Hospice Movement T/A St Teresa's Hospice**

## **Trustees' Report**

The Trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2023.

### **Structure, governance and management**

#### ***Nature of governing document***

The charity is controlled by its governing document, a Deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Darlington and District Hospice Movement, is also known as St Teresa's Hospice, is a charitable company limited by guarantee. Incorporated 4 December 1986, company registration number 2080756 and registered as a charity on 23 January 1987, charity number 518394.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company, is governed under its Articles of Association.

The financial statements comply with the Charities Act 2006, the governing document of the company and they are prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP) and Companies Act 2006.

#### ***Recruitment and appointment of Trustees***

Each year at the annual general meeting, one third of the Trustees shall retire and can offer themselves up for re-election.

Recruitment to Trusteeship is achieved by identifying and approaching potential members. The aim is to create a Board that offers St Teresa's diversity of skills and expertise and a balance of viewpoints.

#### ***Induction and training of Trustees***

All new Trustees of the charity meet with the Chair of the Board and Chief Executive, where new Trustees are briefed on their legal obligations. New Trustees are taken through an induction training session. The Board of Trustees has an annual refresher training programme when members review their responsibilities, review progress against the strategic plan, and are updated on any new services, legislation or other developments.

All Trustees give their time voluntarily and receive no benefits from the charitable company.

#### ***Organisational structure***

The Board consists of six Trustees who meet regularly throughout the year to oversee the general and strategic direction and policy of the charity and to review its overall management and control for which they are legally responsible. The Trustees review risks to the charity on a regular basis, as part of the administration of the charity. Various sub-committees including clinical governance, finance, remuneration, retail, fundraising and HR & workforce development meet as appropriate to discuss relevant issues. All sub-committees report back to the Board and have Trustee representation. The group of senior staff known as the Strategic Management Team hold delegated day to day management responsibilities and line manage the individual department heads/team leaders. They ensure compliance with the regulations of the Care Quality Commission, the Charities Act, Companies House, Health & Safety and Employment Law etc.

# **Darlington & District Hospice Movement T/A St Teresa's Hospice**

## **Trustees' Report**

### **Pay policy for key management personnel**

The remuneration committee has delegated authority to review the Hospice staff remuneration, taking contextual factors and comparisons with similar jobs into account, in order to give assurance to the Board of proper processes.

In 2021/22 the HR Manager conducted a pay review project to review the current pay structure. This included consideration of how to overcome the problems presented by the National Living Wage (NLW) increase which has eroded the gap between salaries at the lower end of the pay scale. This was all considered of course within the backdrop of a huge deficit budget. A variant of the new pay scale was implemented from April 2022.

In 2022/23 a 4% cost of living was applied to this pay scale, with higher increases where needed to meet NLW requirements.

### **Staff**

St Teresa's is committed to encouraging equality, diversity and inclusion among our workforce, and eliminating unlawful discrimination.

The aim is for our workforce to be truly representative of all sections of society and for each employee to feel respected and able to give their best. We are a Disability Confident Employer. We are committed to employing and retaining disabled people, and we encourage applications from all sectors of the community.

Staff experience is measured in three ways:

- Accurate monitoring, reporting and review of sickness levels.
- Confidential annual staff experience survey.
- Line management support including 1:1 contact meetings and the annual appraisal process.

### **Volunteers**

Volunteers offer their skills, experience, expertise and time to every department in the Hospice and form an important part of St Teresa's workforce. We recognise their commitment and their value. The Board of Trustees who have uppermost authority for controlling the activities of the Hospice are volunteers.

### **Relationships with related parties**

The Hospice has a £1 ordinary share investment in North East Hospices Lottery Limited; this represents a 25% share in the allotted share capital. In return for this investment, the Hospice receives a 25% share of the payments to associated undertakings; this is usually the net profit after tax of the Lottery, available for distribution.

### **Objectives and activities**

#### ***Objects and aims***

Our aim is to care for people with life limiting conditions, to provide excellent end of life care, and to provide support for their carers and other family members up to and beyond bereavement.

# **Darlington & District Hospice Movement T/A St Teresa's Hospice**

## **Trustees' Report**

### ***Mission Statement***

St Teresa's Hospice aims to provide "CHOICE"

C omplete  
H olistic Palliative Care  
O ffered  
I n the patients  
C hosen  
E nvironment

We believe we will achieve this through good management, through partnerships, through fund-raising and through the recruitment and management of quality personnel in all fields.

### ***Our Values***

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. Our services are built-up on the basis of patient need and choice, using a holistic approach. Services are accessible to everyone in the community (regardless of race, creed/non-creed, sexual orientation, social standing, age, or financial status).

### ***Fundraising disclosures***

The charity is required to report how it deals with fundraising from the public. The charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised direct from the public follows all guidelines set out by the Charity Commission and UK law in every respect. We respect the privacy and contact preferences of all public donors.

### ***Public benefit***

The charity's aims and achievements are set out within this report. The activities set out in the report have been undertaken to further the charity's charitable purposes for the public benefit. 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.

# **Darlington & District Hospice Movement T/A St Teresa's Hospice**

## **Trustees' Report**

The trustees have referred to the guidance in the Charity Commission general guidance on public benefits when reviewing the aims and objectives in planning and future activities. The charitable objectives are also set out in order to provide a clear and demonstrable public benefit, which the trustees believe are continually achieved.

### ***How do we respond to their needs?***

We are a needs-led service, responding to the needs of patients and their carers. Our services have developed entirely as a result of listening to carers' needs for support and patients' needs for comfort and choice in when and where they receive their care. We also have close working relationships with local GP's and Community Nurses, who have considerable input into the options we provide for patient care. The charity's development is as a direct result of input from patients, carers and health care professionals.

In brief summary, our services are:

- 6 Bedded Inpatient Unit
- Hospice Home Care
- Rapid Response Service
- Lymphoedema Service
- Family Support (including counselling, specialist social work and bereavement care)
- Complementary Therapies
- Wellbeing group and courses

# Darlington & District Hospice Movement T/A St Teresa's Hospice

## Trustees' Report

### Achievements and performance

In the Quality Improvement Priorities 2022 report, we set out three priorities for improvements to our services. We are pleased to report that considerable progress has been made as detailed below.

#### - Develop a service user consultation forum

Patients and carers are at the heart of all we do so it was essential that we continue to improve how we capture people's lived experience in order to inform service development and delivery, and continuously improve the quality of our care. Alongside the various platforms we already use to gather feedback, in 2022 and 2023 we piloted three sessions, with existing service users, where people were asked to share their experience of accessing and using Hospice services. Outside of these groups we also offered opportunities for people to have a one-to-one discussion. In one instance we facilitated a meeting between a bereaved carer and a consultant from CDDFT. Working together, we identified how this family's story could be shared with staff training sessions to underpin the importance of Advance Care Planning and good communication in end-of-life care.

Analysis of the information shared, produced several key themes from myths around referral criteria and lack of public understanding about the role of hospices to barriers around engagement with services. Most people reported that they found the Hospice to be a safe and supportive space where staff were confident about discussing challenging matters such as diagnosis and prognosis.

#### Outcomes:-

1. Most people would prefer to share their views in the context of a familiar group or individually rather than in a more public forum. Therefore, rather than offer open meetings we will schedule regular focused feedback sessions into hospice groups and will routinely offer individuals opportunities to give face to face feedback via semi-structured interviews.
2. Continuous service promotion and myth busting to both the public and health/social care professionals and organisations is important. This is an ongoing project with our marketing and communication team. We plan to co-produce some public information with services users.
3. People may benefit from visual/video resources to introduce them to the building/services before they attend/are admitted. This is planned for production in 2023.
4. We need to improve outreach for the Hospice-based services, to make introductions to people where they are rather than assuming people can attend for a first appointment here or commit to an admission/services. Funding to extend our outreach is on the agenda with statutory partner.
5. We need to further develop work with our system partners to gain a wider reach with public feedback, especially those we are not reaching at present. This will inform our Hospice strategy going forward.
6. Barriers around transport and cost to be addressed with ICB and interagency forum in Darlington.

#### - Develop a new model for day services

In 2021, in consultation with service users and stakeholders, we began to re-imagine our day services' model with the aim of supporting people's holistic wellbeing; empowering patients to live as independently and fully as possible, and to cope constructively with deteriorating health.

We were especially keen to break down real or perceived barriers to people accessing palliative care services and create a model that is collaborative, sustainable, responsive and innovative.

Over the past year we have rebranded The Woodlands as a Wellbeing Hub and are delivering a choice of services designed to offer people the skills, knowledge and/or confidence to manage the challenges and changes associated with living with a palliative illness.

# **Darlington & District Hospice Movement T/A St Teresa's Hospice**

## **Trustees' Report**

The Hospice currently offers the following services:

- Focus and Breathe Programme. Specialist exercise and peer support group for people with progressive respiratory disease.
- MS Wellbeing Programme. Specialist speakers, peer support and bespoke exercise sessions for people with advanced MS. In 2023 we will introduce an additional programme for people recently diagnosed with the condition.
- Stay Active Sessions.
- Tai-chi class.
- Creative Café.
- Carers' Support Group.
- Mindfulness Course.
- Bereavement Support Group

The Hospice also hosts a number of services from our partners:

- Darlington Carers' Support Team (office now based in the Woodlands Wellbeing Hub).
- Welfare Rights and Advice Clinic with Darlington Citizen's Advice.
- Social Prescribing Clinic with Darlington PCN.
- Singing for the Brain with Darlington Alzheimer's society.
- Cardiac Rehab Programme with CDDFT Community Cardiology Team.
- Wellbeing Programmes from TEWV (coming in the summer of 2023).
- Parkinson's UK Group (starting summer 2023).

### **- Develop a new model for specialist clinical services**

Following the retirement of the Nurse Consultant in February 2022, we used the opportunity to review how we deliver specialist level palliative and end of life care.

We consulted key partners and produced an options appraisal. Taking into account the new NHS "Commissioning and Investment Framework for Palliative and End of Life Care", we decided on a multidisciplinary model based on a collaboration with the local Trust to deliver:

- In depth specialist knowledge; to undertake assessment and management of physical, psychological, emotional, social and spiritual distress to reduce symptoms, suffering and distress
- Support and analysis of complex clinical decision-making challenges.
- Providing multi-disciplinary specialist support advice and training.

To achieve this, we recognised that we needed a range of specialist practitioners in the clinical team included CNS, doctor and consultant expertise.

- We were unable to recruit to an additional experienced CNS or Nurse Consultant post (reflecting the national shortage of specialist level clinical staff) to support our trainee CNS in post so we opted to develop our own nursing staff utilising the national CNS training programme. We now have two qualified CNSs in the Hospice.
- CDDFT continued to support the team with 2 sessions a week from a Palliative Care Consultant, including input at the weekly clinical team meeting.
- We were unable to obtain funding for a GP with Specialist Interest post however, this key improvement remains a priority and is in keeping with the commissioning ambitions of the local ICB. We continue to work with the ICB to develop a funded and sustainable model of delivery.



# **Darlington & District Hospice Movement T/A St Teresa's Hospice**

## **Trustees' Report**

### **Other plans for the future**

Quality Improvement Priorities for 2023-2024:

#### **- Developing our working culture**

Bring staff and volunteers together to develop and 'own' a framework for hospice culture that will enable St Teresa's to become an even greater place to work, where teams are happy and motivated and work to our values.

Every year we conduct our staff survey and in 2022 we improved our scores in many areas including headspace and free from worry which were our lowest scoring areas previously. The survey showed that we also increased our scores in nine other areas, with large increases in attention, knowledge and company & customers. However, we did see decreases in team co-operation and team understanding. Whilst the quality of care that patients receive depends first and foremost on the skill, compassion, and dedication of staff the values that we collectively hold as a charity and our culture go a long way to determining whether we succeed as individuals, teams, a partner and a hospice.

Therefore, led by the Interim CEO, working alongside the senior management team and guided by HR we will focus on bringing staff and volunteers together to develop and 'own' a framework for hospice culture. The results of this will be summarised in a 'key values' document and this will provide a framework to guide decision making and ultimately empower our whole workforce going forward.

#### **- Measuring Clinical Effectiveness: A Fundamental Review**

Evidence based practice underpins all the care that we give. We use a number of recognised tools across the Hospice including Outcome Assessment and Complexity Collaborative (OACC), Goal Based Outcomes (GBO) and Measure Yourself Concerns and Wellbeing (MYCaW) to measure outcomes and capture patient/carer experience to evidence clinical effectiveness.

Reviewing our services in light of the National Guidance for Palliative and End of Life Care with a particular focus on the personalisation agenda, we identified the need for a fundamental review of the tools we use to measure clinical effectiveness and evaluate how compatible they are with a person-centred approach. Therefore, led by the senior Clinical Nurse Specialist, our team will research best practice and review our processes to identify quality improvements.

The benefit to patient care and the Hospice will be that we are evidencing the efficacy the specialist care we provide using the most up to date research-based tools which will lead to more effective evidence-based care. This will be an opportunity to explore all aspects of clinical effectiveness and feed this back into improved care outcomes.

#### **- Widening Access to Hospice Services.**

"Ambitions for Palliative and End of Life Care" (2015) states that everyone should get "fair access and provision of palliative and end of life care regardless who they are or where they are from" yet research shows that people with low socio-economic status are less likely to access hospice care.

Darlington is amongst the 10% most deprived areas in England. According to latest ONS figures, 15.3% of the population is income-deprived with nearly a third of neighbourhoods sitting in the 20% most income-deprived in England. Analysis of our internal data (SystemOne data with IMD) shows that the average service user has an above average SES meaning that we are not reaching the more deprived people in our community.

# **Darlington & District Hospice Movement T/A St Teresa's Hospice**

## **Trustees' Report**

Conversations with local organisations who work with people who are homeless, vulnerably housed and/or are in financial need have revealed that they have a limited understanding of hospice services and lack confidence in addressing needs around death and dying. They spoke about the barriers many of their service users face including fear of discrimination by, and mistrust of, professionals, feeling like they won't fit in certain environments or groups of people and the challenges of coping with a wide range of complex needs.

St Teresa's Hospice wants to ensure its services are accessible to the whole community but recognise that some people, especially those living in poverty, may encounter additional barriers.

The "Opening doors" project brings together local organisations with a shared purpose of improving the lives of people with life-limiting conditions and low incomes. Through partnerships with organisations who engage with people who are homeless, in vulnerable housing or experiencing financial hardship we can build trusting relationships to support people to live fully and die well with a life-limiting illness, whatever that means to them.

Throughout this process we hope to gain a better understanding of the barriers many people face when accessing hospice care so we can develop better pathways and deliver more inclusive services.

### **The Care Quality Commission**

Further to our Engagement and Monitoring meetings with CQC in July 2022 we were advised to submit an application to cancel our registration for "Personal Care" and "Diagnostics and Screening Procedures" and only be registered for "Treatment of Disease, disorder or injury", in line with CQC review of regulated activities in hospices. This application was confirmed in August 2022.

St Teresa's Hospice is now registered for the regulated activity of "Treatment of Disease, disorder or injury" with the following conditions:

- Caring for adults over 65 yrs
- Caring for adults under 65 yrs

The Monitoring Summary Report in July 2022, confirmed the CQC were very satisfied with our Hospice and commended us for the overwhelmingly positive feedback they received about our services from patients and carers. The key areas they explored were medicine management, incident reporting and actions, service user involvement and staffing levels.

Then in August 2022, we were randomly chosen to undergo an announced inspection as part of the CQC's assessment of their new inspection process. We retained a good rating in all categories.

A comprehensive annual Quality Account is published on the charity's website.

**Our work is made possible through an effective, eclectic mix of staff and volunteers. The Board and Senior Manager sincerely thank all of the people in our 'One Hospice' team and our supporters in the wider community.**



# Darlington & District Hospice Movement T/A St Teresa's Hospice

## Trustees' Report

### Financial review

We provide all our core services free of charge to patients, families, and carers. Our funding continues to be provided via a core grant received from the NHS and through the generous support of the local community in the form of donations, legacies fundraising event and our One Wish Lottery and shops.

We commenced the year with a deficit budget of £561,525, the outcome for the year was a positive uplift, however still a deficit of £336,044 (2022: £1,014,008 surplus), 2022 positive outcome was due to receiving non-recurring financial support from the Government via Hospice UK amidst the Covid-19 pandemic, we also received an unusually high value of legacy donation. This additional income received during 2022 was added to reserves to cover deficit budgets in the current and future years.

Donations from events and trusts has increased on the previous year from £361,342 to £426,353 along with trading income from £598,820 to £707,755, the increase in the year is from being fully operational in which the previous year was still suffering from the Covid-19 pandemic and numerous lockdowns.

Expenditure has increased on the previous year from £2,973,922 to £3,385,373, this is inline with budget. Staff costs are our largest expense equating to 71.5% of total expenditure, however without the dedication from all our professional staff and volunteers the Hospice could not continue to provide its services. Other increases on previous year include £50k uplift in electricity costs, £30k on painting and decorating of the Hospice and £38k for CEO services gratefully provided by Teesside Hospice.

In summary the Hospice relies on the support of the local CCG's, our committed staff, the community and businesses and its own commercial activities to continue operating. This has never been more so prevalent due to the current cost of living crisis, we enter 2023/24 with a deficit budget of £550k, we are therefore reliant our healthy cash position and built up reserves.

The Staff, Trustees and Volunteers are committed to maximising income and controlling expenditure without compromising services to help ensure that the Hospice can continue to offer the high-quality care and support that has made it an essential part of the community.

### Policy on reserves

Reserves are needed to sustain operations during periods when there is a unanticipated shortfall in main income sources or to cover unanticipated significant expenditure. The Trustees review risk to the Hospice on a regular basis via a panel of experts on the Finance Committee. In previous years the Trustees have concluded that reserves of a least six months operational costs should be held. This would equate to a reserve in the range of £1.5m to £2m as at 31 March 2023.

Reserves at the 31 March 2023 are £5,857,523 (2022: £6,193,567) of which £888,480 (2022: £884,617) are restricted and £4,969,043 (2022: £5,328,950) are un-restricted. Restricted reserves are to be used for expenditure as specified by the donor, un-restricted reserves are available to further the Hospices purposes.

The actual free reserves currently held at 31 March 2023 amounted to £3,073,709 (2022: £3,599,052). The Trustees consider that the Hospice has sufficient readily available reserves to enable it to pay for ongoing operations during the year to come.

### Risk management

Keeping patients, families, staff and visitors safe is a fundamental principle at St Teresa's and as such, risk management is firmly embedded in the culture and structure of the organisation.

The Trustees review risks to the charity on a regular basis, as part of the administration of the charity; this process is undertaken through Management Meetings and through the sub-committees of the Board of Trustees and it covers all aspects of the Hospice's work and its premises. The Board has reviewed the major strategic, business and operational risks to which the Hospice is exposed and has produced a corporate risk register. Across the Hospice we have a culture of monitoring adverse events, complaints and feedback as a way to monitor risk.

# Darlington & District Hospice Movement T/A St Teresa's Hospice

## Trustees' Report

### Going Concern

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

### Statement of Trustees' Responsibilities

The Trustees (who are also the directors of Darlington & District Hospice Movement T/A St Teresa's Hospice for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

### Disclosure of information to auditor

Each member has taken steps that they ought to have taken as a member in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The Trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

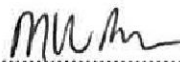
### Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Azets Audit Services as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

The annual report was approved by the Trustees of the charity on 7/12/23 and signed on its behalf by:



Mrs N. Myers  
Company Secretary



Mr M W Brown  
Trustee

# **Darlington & District Hospice Movement T/A St Teresa's Hospice**

## **Independent Auditor's Report to the Members of Darlington & District Hospice Movement T/A St Teresa's Hospice**

### **Opinion**

We have audited the financial statements of Darlington & District Hospice Movement T/A St Teresa's Hospice (the 'charity') for the year ended 31 March 2023, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note to the financial statements, 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements were 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 Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

## **Darlington & District Hospice Movement T/A St Teresa's Hospice**

### **Independent Auditor's Report to the Members of Darlington & District Hospice Movement T/A St Teresa's Hospice**

We have nothing to report in this regard.

#### **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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

#### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 12], the Trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

#### **Auditor responsibilities for the audit of the financial statements**

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

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:



## **Darlington & District Hospice Movement T/A St Teresa's Hospice**

### **Independent Auditor's Report to the Members of Darlington & District Hospice Movement T/A St Teresa's Hospice**

- Enquiries with management, about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Assessment of matters recorded on the risk register;
- Reviewing board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

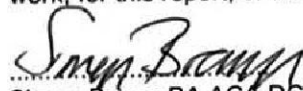
Because of the field in which the charity operates, we identified the following areas as those most likely to have a material impact on the financial statements: Care Quality Commission (CQC), Health and Safety; employment law (including the Working Time Directive); and compliance with the UK Companies Act and Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the charitable company's Trustees, 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 charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Brown BA ACA DChA (Senior Statutory Auditor)

For and on behalf of  
Azets Audit Services  
Chartered Accountants  
Statutory Auditor  
Bulman House  
Regent Centre  
Gosforth  
Newcastle upon Tyne  
NE3 3LS

Date: 8/12/2023

Azets Audit Services is a trading name of Azets Audit Services Limited

## Darlington & District Hospice Movement T/A St Teresa's Hospice

### Statement of Financial Activities for the Year Ended 31 March 2023 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2023 £	Total 2022 £
<b>Income and Endowments from:</b>					
Donations and legacies	3	2,187,106	140,686	2,327,792	3,234,144
Other trading activities	4	707,755	-	707,755	598,620
Investment income	5	4,642	-	4,642	1,347
Other income	6	9,140	-	9,140	153,819
Total Income		<u>2,908,643</u>	<u>140,686</u>	<u>3,049,329</u>	<u>3,987,930</u>
<b>Expenditure on:</b>					
Raising funds	8	(229,214)	-	(229,214)	(203,537)
Charitable activities	7	<u>(3,039,336)</u>	<u>(116,823)</u>	<u>(3,156,159)</u>	<u>(2,770,385)</u>
Total Expenditure		<u>(3,268,550)</u>	<u>(116,823)</u>	<u>(3,385,373)</u>	<u>(2,973,922)</u>
Net (expenditure)/income		<u>(359,907)</u>	<u>23,863</u>	<u>(336,044)</u>	<u>1,014,008</u>
Net movement in funds		(359,907)	23,863	(336,044)	1,014,008
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>5,328,950</u>	<u>864,617</u>	<u>6,193,567</u>	<u>5,179,559</u>
Total funds carried forward	20	<u>4,969,043</u>	<u>888,480</u>	<u>5,857,523</u>	<u>6,193,567</u>

All of the charity's activities derive from continuing operations during the above two periods.

# Darlington & District Hospice Movement T/A St Teresa's Hospice

## Comparative Statement of Financial Activities for the Year Ended 31 March 2022

(Including Income and Expenditure Account and Statement of Total  
Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2022 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	2,670,167	563,977	3,234,144
Other trading activities	4	598,620	-	598,620
Investment income	5	1,347	-	1,347
Other income	6	153,819	-	153,819
Total income		<u>3,423,953</u>	<u>563,977</u>	<u>3,987,930</u>
<b>Expenditure on:</b>				
Raising funds		(203,537)	-	(203,537)
Charitable activities	7	<u>(2,196,228)</u>	<u>(574,157)</u>	<u>(2,770,385)</u>
Total expenditure		<u>(2,399,765)</u>	<u>(574,157)</u>	<u>(2,973,922)</u>
Net income/(expenditure)		<u>1,024,188</u>	<u>(10,180)</u>	<u>1,014,008</u>
Net movement in funds		1,024,188	(10,180)	1,014,008
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>4,304,762</u>	<u>874,797</u>	<u>5,179,559</u>
Total funds carried forward	20	<u>5,328,950</u>	<u>864,617</u>	<u>6,193,567</u>

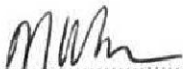
# Darlington & District Hospice Movement T/A St Teresa's Hospice

(Registration number: 02080756)

Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	14	2,783,814	2,786,182
<b>Current assets</b>			
Debtors	15	374,909	1,244,956
Cash at bank and in hand		<u>3,166,422</u>	<u>2,604,201</u>
		3,541,331	3,849,157
<b>Creditors: Amounts falling due within one year</b>	16	<u>(467,622)</u>	<u>(250,105)</u>
<b>Net current assets</b>		<u>3,073,709</u>	<u>3,599,052</u>
<b>Total assets less current liabilities</b>		5,857,523	6,385,234
<b>Creditors: Amounts falling due after more than one year</b>	17	<u>-</u>	<u>(191,667)</u>
<b>Net assets</b>		<u>5,857,523</u>	<u>6,193,567</u>
<b>Funds of the charity:</b>			
<b>Restricted</b>		888,480	864,617
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>4,969,043</u>	<u>5,328,950</u>
<b>Total funds</b>	20	<u>5,857,523</u>	<u>6,193,567</u>

The financial statements on pages 16 to 36 were approved by the Trustees, and authorised for issue on 1/12/23.... and signed on their behalf by:

  
 .....  
 Mr M W Brown  
 Trustee



# Darlington & District Hospice Movement T/A St Teresa's Hospice

## Statement of Cash Flows for the Year Ended 31 March 2023

	Note	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Net cash (expenditure)/income		(336,044)	1,014,008
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation		89,767	93,811
Investment income	5	<u>(4,642)</u>	<u>(1,347)</u>
		(250,919)	1,106,472
<b>Working capital adjustments</b>			
Decrease/(increase) in debtors	15	870,047	(346,007)
Increase in creditors	16	<u>75,850</u>	<u>23,624</u>
Net cash flows from operating activities		<u>694,978</u>	<u>784,089</u>
<b>Cash flows from investing activities</b>			
Interest receivable and similar income	5	4,642	1,347
Purchase of tangible fixed assets	14	(87,399)	(22,790)
Sale of tangible fixed assets		<u>-</u>	<u>1,024</u>
Net cash flows from investing activities		(82,757)	(20,419)
<b>Cash flows from financing activities</b>			
Repayment of loans and borrowings	16	<u>(50,000)</u>	<u>(8,333)</u>
Net increase in cash and cash equivalents		562,221	755,337
Cash and cash equivalents at 1 April		<u>2,604,201</u>	<u>1,848,864</u>
Cash and cash equivalents at 31 March		<u>3,166,422</u>	<u>2,604,201</u>

All of the cash flows are derived from continuing operations during the above two periods.

# **Darlington & District Hospice Movement T/A St Teresa's Hospice**

## **Notes to the Financial Statements for the Year Ended 31 March 2023**

### **1 Charity status**

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is The Woodlands, Woodlands Road, Darlington, DL3 7UA, Durham.

The liability of individual members is limited to a maximum of £1 if the charity is wound up whilst he or she is a member or within one year of ceasing to be a member.

### **2 Accounting policies**

#### **Statement of compliance**

The 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)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

#### **Basis of preparation**

Darlington & District Hospice Movement T/A St Teresa's Hospice meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are presented in sterling, which is the functional currency of the entity.

#### **Going Concern**

The financial statements have been prepared on a going concern basis.

The charity meets its day to day working capital requirements through cash generated from operations. At the year end the charity had net current assets of £3,073,709 including cash of £3,166,422 and made a deficit of £336,044. The charity took out a CBILS loan during the prior year however this was fully paid off in July 23 and there are limited other financial commitments.

The charity's forecasts and projections for the next twelve months show that the charity should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance. The charity has strong cash and net current assets balances. In the trustee's assessment of reasonably possible changes in financial performance for the next twelve months they have considered a fall in fundraising and trading income should restrictions be reintroduced.

Based on the factors set out above the trustees believe that there is no material uncertainty in relation to going concern and that the charity has adequate financial resources to continue in operational existence for at least twelve months from the date of signing the financial statements and therefore the trustees believe it remains appropriate to prepare the financial statements on a going concern basis.

# **Darlington & District Hospice Movement T/A St Teresa's Hospice**

## **Notes to the Financial Statements for the Year Ended 31 March 2023**

### **Estimation uncertainty and judgements**

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

The charity includes (in its debtors) amounts due from legacies. These are based on best information received prior to completion of the accounts and are only estimates which are subject to change.

### **Income and endowments**

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured.

### **Donations and legacies**

Legacy income is recognised when receipt is probable and entitlement is established. Where a legacy is notified to the charity prior to the year end, it is recognised as income if it is received before the accounts are approved.

Income from donations is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

### **Grants receivable**

Income from grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

### **Donated services and facilities**

Income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.

Income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

### **Expenditure**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

### **Raising funds**

Expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.

# **Darlington & District Hospice Movement T/A St Teresa's Hospice**

## **Notes to the Financial Statements for the Year Ended 31 March 2023**

### **Charitable activities**

Expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

### **Other expenditure**

Other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

### **Government grants**

Grants are recognised in income over the period in which the costs are recognised where there are performance conditions attached to the grant, otherwise the income is recognised in full.

### **Tangible fixed assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Land and buildings	2% straight line
Furniture and equipment	Straight line 4 years and straight line 15 years
Motor vehicles	25% straight line

### **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

### **Trade debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

### **Cash and cash equivalents**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

# **Darlington & District Hospice Movement T/A St Teresa's Hospice**

## **Notes to the Financial Statements for the Year Ended 31 March 2023**

### **Trade creditors**

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 provision are normally recognised at their settlement amount after allowing for any trade discounts due.

### **Fund structure**

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through terms of appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

### **Pensions and other post retirement obligations**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

# Darlington & District Hospice Movement T/A St Teresa's Hospice

## Notes to the Financial Statements for the Year Ended 31 March 2023

### 3 Income from donations and legacies

	Unrestricted		Total
	General	Restricted	2023
	£	£	£
Donations and legacies;			
Donations and gifts	189,053	-	189,053
Donations from events & trusts	373,910	52,443	426,353
Donations from North East Hospice Lottery	54,475	-	54,475
Legacies	190,671	-	190,671
Grants, including capital grants;			
Grants	1,378,997	88,243	1,467,240
	<u>2,187,106</u>	<u>140,686</u>	<u>2,327,792</u>
	Unrestricted		Total
	funds	Restricted	2022
	General	funds	£
	£	£	
Donations and legacies;			
Donations and gifts	179,422	-	179,422
Donations from events & trusts	344,872	16,470	361,342
Donations from North East Hospice Lottery	64,913	-	64,913
Legacies	703,079	-	703,079
Grants, including capital grants;			
Grants	1,374,508	103,639	1,478,147
CJRS	3,373	-	3,373
Hospice UK	-	443,868	443,868
	<u>2,670,167</u>	<u>563,977</u>	<u>3,234,144</u>

Hospice UK is the distribution of central government emergency grants.

# Darlington & District Hospice Movement T/A St Teresa's Hospice

## Notes to the Financial Statements for the Year Ended 31 March 2023

### 4 Income from other trading activities

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Trading income;			
Shop income from sale of donated goods and services	707,755	707,755	598,620
	<u>707,755</u>	<u>707,755</u>	<u>598,620</u>

Trading income in 2022 was unrestricted.

### 5 Investment income

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Interest receivable and similar income;			
Interest receivable on bank deposits	4,642	4,642	1,332
Other investment income	-	-	15
	<u>4,642</u>	<u>4,642</u>	<u>1,347</u>

Investment income in 2022 was unrestricted.

### 6 Other income

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Other income	6,640	6,640	11,690
Gains on sale of tangible fixed assets for charity's own use	2,500	2,500	-
Insurance income	-	-	142,129
	<u>9,140</u>	<u>9,140</u>	<u>153,819</u>

Other income in 2022 was unrestricted.

# Darlington & District Hospice Movement T/A St Teresa's Hospice

## Notes to the Financial Statements for the Year Ended 31 March 2023

### 7 Expenditure on charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2023 £	
Out Patient and operational costs	930,698	28,131	958,829	
Home care	340,876	84,535	425,411	
In Patient unit	729,175	4,157	733,332	
Shop expenses	654,364	-	654,364	
Governance costs	384,223	-	384,223	
	<u>3,039,336</u>	<u>116,823</u>	<u>3,156,159</u>	
	Unrestricted funds General £	Restricted funds £	Total 2022 £	
Out Patient and operational costs	285,967	466,638	752,605	
Home care	359,724	107,519	467,243	
In Patient unit	642,042	-	642,042	
Shop expenses	565,180	-	565,180	
Governance costs	343,315	-	343,315	
	<u>2,196,228</u>	<u>574,157</u>	<u>2,770,385</u>	
	Activity undertaken directly £	Activity support costs £	2023 £	2022 £
Out Patient and operational costs	420,889	537,940	958,829	860,124
Home care	425,411	-	425,411	359,724
In Patient unit	733,332	-	733,332	642,042
Shop expenses	654,364	-	654,364	565,180
Governance Costs	-	384,223	384,223	343,315
	<u>2,233,996</u>	<u>922,163</u>	<u>3,156,159</u>	<u>2,770,385</u>

See note 8 for further analysis of support costs.



# Darlington & District Hospice Movement T/A St Teresa's Hospice

## Notes to the Financial Statements for the Year Ended 31 March 2023

### 8 Analysis of support costs

#### Support costs allocated to charitable activities

	<b>Governance costs</b>	<b>Other support costs</b>	<b>Total 2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Staff costs	263,845	114,297	378,142
Running costs	17,918	291,858	309,776
Human resources	22,047	-	22,047
Finance costs	13,239	-	13,239
Travel costs	183	31,796	31,979
Depreciation	-	89,767	89,767
Training	-	10,222	10,222
Legal & professional	53,329	-	53,329
Sundry	13,662	-	13,662
	<b>384,223</b>	<b>537,940</b>	<b>922,163</b>
	<b>Governance costs</b>	<b>Other support costs</b>	<b>Total 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Staff costs	289,739	101,496	391,235
Running costs	20,621	210,152	230,773
Human resources	11,294	-	11,294
Finance costs	3,992	-	3,992
Travel costs	-	30,177	30,177
Depreciation	-	93,810	93,810
Training	-	10,782	10,782
Legal & professional	17,669	-	17,669
	<b>343,315</b>	<b>446,417</b>	<b>789,732</b>

## **Darlington & District Hospice Movement T/A St Teresa's Hospice**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### **Raising funds expenditure**

##### **Costs of generating donations and legacies**

	<b>Unrestricted</b>	<b>Total</b>	<b>Total</b>
	<b>General</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Wages and salaries	129,008	129,008	95,697
Employer's NIC	11,367	11,367	7,109
Pension Costs	3,631	3,631	3,133
Other motor/travel costs	714	714	146
Other office costs	9,110	9,110	-
Cost of events	74,908	74,908	82,416
Publications & advertising	476	476	15,036
	<u>229,214</u>	<u>229,214</u>	<u>203,537</u>

#### **9 Net incoming/outgoing resources**

Net (outgoing)/incoming resources for the year include:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Operating leases - plant and machinery	32,334	39,780
Audit fees	11,000	6,100
Depreciation of fixed assets	<u>89,767</u>	<u>93,811</u>

#### **10 Trustees remuneration and expenses**

No Trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

## Darlington & District Hospice Movement T/A St Teresa's Hospice

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 11 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
<b>Staff costs during the year were:</b>		
Wages and salaries	2,146,936	1,971,082
Social security costs	170,208	141,071
Pension costs	104,236	102,937
	<u>2,421,380</u>	<u>2,215,090</u>

The average head count of employees (including senior management team) employed by the charity during the year was as follows:

	2023 No	2022 No
Employees	<u>126</u>	<u>122</u>

The number of employees whose emoluments fell within the following bands was:

	2023 No	2022 No
£60,001 - £70,000	<u>1</u>	<u>-</u>

The total employee benefits of the key management personnel of the charity were £152,312 (2022 - £147,468).

#### 12 Auditors' remuneration

	2023 £	2022 £
Audit of the financial statements	<u>11,000</u>	<u>6,100</u>

## Darlington & District Hospice Movement T/A St Teresa's Hospice

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 13 Taxation

The charity is exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### 14 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 April 2022	3,636,018	575,981	32,682	4,244,681
Additions	-	72,013	15,386	87,399
Disposals	-	(48,669)	(19,887)	(68,556)
At 31 March 2023	<u>3,636,018</u>	<u>599,325</u>	<u>28,181</u>	<u>4,263,524</u>
<b>Depreciation</b>				
At 1 April 2022	883,160	542,657	32,682	1,458,499
Charge for the year	68,720	19,444	1,603	89,767
Eliminated on disposals	-	(48,669)	(19,887)	(68,556)
At 31 March 2023	<u>951,880</u>	<u>513,432</u>	<u>14,398</u>	<u>1,479,710</u>
<b>Net book value</b>				
At 31 March 2023	<u>2,684,138</u>	<u>85,893</u>	<u>13,783</u>	<u>2,783,814</u>
At 31 March 2022	<u>2,752,858</u>	<u>33,324</u>	<u>-</u>	<u>2,786,182</u>

The charity has a £1 ordinary share in North East Hospice Lottery Limited. This represents a 25% share in allotted share capital of this entity which is incorporated in England. The audited financial statements for North East Hospice Lottery Limited for the year ended 31st March 2022 shows shareholders funds in a surplus of £12 (2021: £10) and a profit for the period amounting to £2 (2021: loss £6).

Bank loans are secured by a legal charge by NHS England over the freehold property at The Woodlands, Woodland Road, Darlington on the bank's standard terms.

# Darlington & District Hospice Movement T/A St Teresa's Hospice

## Notes to the Financial Statements for the Year Ended 31 March 2023

### 15 Debtors

	2023 £	2022 £
Trade debtors	19,486	126,921
Prepayments	92,765	61,033
Accrued income	214,487	1,022,278
VAT recoverable	48,171	34,724
	<u>374,909</u>	<u>1,244,956</u>

Accrued income relates to legacy income due to be received by the Charity.

### 16 Creditors: amounts falling due within one year

	2023 £	2022 £
Bank loans	191,667	50,000
Trade creditors	73,117	77,182
Other taxation and social security	39,570	68,846
Other creditors	21,631	20,388
Accruals and deferred income	141,637	33,689
	<u>467,622</u>	<u>250,105</u>

	2023 £	2022 £
Deferred income at 1 April 2022	1,999	17,518
Resources deferred in the period	79,804	1,999
Amounts released from previous periods	(1,999)	(17,518)
Deferred income at year end	<u>79,804</u>	<u>1,999</u>

### 17 Creditors: amounts falling due after one year

	2023 £	2022 £
Bank loans	<u>-</u>	<u>191,667</u>

During the 2020/21 financial year the charity obtained a Coronavirus Business Interruption Loan. Interest is charged at a rate of 2.28% over base rate and interest for the first year is paid by the UK Government.

The loan is repayable over 60 monthly instalments commencing 12 months from drawdown (February 2022). The loan was fully repaid after the year end in July 2023. As a result it has been reclassified to amounts due in less than one year.

## **Darlington & District Hospice Movement T/A St Teresa's Hospice**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### **18 Obligations under leases and hire purchase contracts**

##### **Operating lease commitments**

Total future minimum lease payments under non-cancellable operating leases are as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Land and buildings</b>		
Within one year	128,725	25,000
Between one and five years	<u>282,350</u>	<u>50,000</u>
	<u>411,075</u>	<u>75,000</u>
<b>Other</b>		
Within one year	5,802	825
Between one and five years	<u>2,612</u>	<u>975</u>
	<u>8,414</u>	<u>1,800</u>

#### **19 Pension and other schemes**

##### **Defined contribution pension scheme**

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £104,236 (2022 - £102,937).

Contributions totalling £21,273 (2022 - £20,388) were payable to the scheme at the end of the year and are included in creditors.

# Darlington & District Hospice Movement T/A St Teresa's Hospice

## Notes to the Financial Statements for the Year Ended 31 March 2023

### 20 Funds

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Balance at 31 March 2023 £
<b>Unrestricted funds</b>				
<b>General</b>				
General funds	5,328,950	2,908,643	(3,268,550)	4,969,043
<b>Restricted funds</b>				
IPU Grants	127,155	-	(2,890)	124,265
NHS England Grant	700,000	-	-	700,000
Department of Working Pensions Grant	49	-	(49)	-
Darlington Borough Council Homecare (NHS)	-	84,535	(84,535)	-
Children in Need	8,189	-	(192)	7,997
William Webster Charitable Trust	2,663	-	(77)	2,586
Finlay Cooper Fund	7,522	-	(172)	7,350
ASDA Foundation	6,324	-	(172)	6,152
Catherine Cookson Charitable Trust	437	2,500	(437)	2,500
Wolfson Suite grant	5,258	-	(2,013)	3,245
DBC Carer Breaks Funding	-	4,330	(4,330)	-
Dhananjay Kelkar Fund	618	-	(265)	353
County Durham - Darlington Covid Fund	1,398	-	(1,398)	-
Screwfix Foundation	207	529	(146)	590
Hospital Saturday Fund	1,500	-	(500)	1,000
Hedley Foundation	2,297	-	(545)	1,752
Darlington Women's Group	1,000	-	-	1,000
Kickstart Grant and Scheme	-	3,707	(3,707)	-
JGW Patterson Foundation	-	10,000	(1,603)	8,397
B&Q Foundation	-	528	(55)	473
County Durham Community Foundation	-	19,362	(8,565)	10,797
Tees Esk and Wear Valley Resilience Funding	-	9,995	(5,172)	4,823
Tees Valley Sport	-	4,000	-	4,000
Hospice Aid UK	-	1,000	-	1,000
Mogan & Mogan	-	200	-	200
<b>Total restricted funds</b>	<b>864,617</b>	<b>140,686</b>	<b>(116,823)</b>	<b>888,480</b>
<b>Total funds</b>	<b>6,193,567</b>	<b>3,049,329</b>	<b>(3,385,373)</b>	<b>5,857,523</b>

## **Darlington & District Hospice Movement T/A St Teresa's Hospice**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

The specific purposes for which the funds are to be applied are as follows:

The In Patient Unit (IPU) grant is a contribution towards the construction of the IPU. The grant has been fully spent in 2015/16 financial year and the capital element thereof is being released to Unrestricted Funds in accordance with the depreciation policy.

The NHS England Grant is to fund the continuing use of the freehold property 'The Woodlands'. The fund is restricted until the NHS England release the legal charge over the property or until the property is sold.

The Department of Working Pensions grant is to fund the purchase of equipment for access to work for two employees. The grant was fully spent in the 2017/18 financial year and the capital element thereof is being released to Unrestricted Funds in accordance with the depreciation policy.

The Darlington Building Society grant awarded through the County Durham Community Foundation is to support the IPU and establish a Sharing Memories area within the Hospice. The grant was fully spent in the 2017/18 financial year and the capital element thereof is being released to Unrestricted Funds in accordance with the depreciation policy.

The Children in Need grant is to fund the refurbishment of the 1st floor in the Woodlands (former IPU) to house the family support suite. During the year only £8,200 of this was spent. The capital element thereof is being released to Unrestricted Funds in accordance with the depreciation policy and the unspent amount will be offset against restricted funds in the next accounting period.

The William Webster Charitable Trust grant is to fund the refurbishment of the 1st floor in the Woodlands (former IPU) to house the family support suite. The grant was fully spent in the 2017/18 financial year and the capital element thereof is being released to Unrestricted Funds in accordance with the depreciation policy.

The Finlay Cooper Fund was awarded in order to fund children's bereavement services and projects. The grant was fully spent in the 2017/18 financial year and the capital element thereof is being released to Unrestricted Funds in accordance with the depreciation policy.

The ASDA Foundation grant is to support the IPU and family support rooms within the Hospice. The grant was fully spent in the 2018/19 financial year and the capital element thereof is being released to Unrestricted Funds in accordance with the depreciation policy.

The Catherine Cookson Charitable Trust grant is to fund a respite room and furniture, this was spent during 2018, we have received additional funding during 2023 for replacement of two syringe driver handrails which has been spent during 2023/24 financial year. The capital element thereof is being released to unrestricted funds in line the depreciation policy.

The Wolfson Suite grant is to fund the kitchen added to the Wolfson Suite in the hospice. The grant was fully spent in the 2017/18 prior financial year and the capital element thereof is being released to Unrestricted Funds in accordance with the depreciation policy.

The DBC Carer Breaks Funding is to fund for Carers' Support Group, complementary and therapies and counselling for carers this has been spent in the financial year.

County Durham Community Foundation COVID-19 Fund is a contribution towards staffing costs and consumables and has been spent in the year.



## **Darlington & District Hospice Movement T/A St Teresa's Hospice**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

The Dhananjay Kelkar Fund grant is to fund the purchase of a Syringe Driver for the Hospice. The grant was fully spent in the 2019/20 financial year and the capital element thereof is being released to Unrestricted Funds in accordance with the depreciation policy.

The Screwfix Foundation grant is to fund the purchase and installation of a secure letter box, this was spent during 2019, we have received additional funding during 2023 for replacement handrails which has been spent in the financial year. The capital element thereof is being released to unrestricted funds in line the depreciation policy.

Hospice UK - is emergency monetary support from the Government administered by Hospice UK to support Hospices during the pandemic.

Hospital Saturday Fund - to fund the purchase of two syringe drivers, this was spent during 2020 and the capital element thereof is being released to unrestricted funds in line with the depreciation policy.

Hedley Foundation - to fund the purchase of two mattresses, this was spent during 2022 and the capital element thereof is being released to unrestricted funds in line with the depreciation policy.

Darlington Women's Group - to fund the purchase of furniture, this was received during 2021/22 and due to the Covid-19 pandemic the project has been delayed and will be spent during the 2023/24 financial year.

Kickstart Grant and Scheme - to fund a staff member salary for the year.

JGW Patterson Foundation - to fund the purchase of a Rapid Response vehicle, this was spent during the year and the capital element thereof is being released to unrestricted funds in line with the depreciation policy.

B&Q Foundation - to fund replacement handrails, this was spent during the year and the capital element thereof is being released to unrestricted funds in line with the depreciation policy.

County Durham Community Foundation - to fund a staff's salary for the period 1 October 2022 to 30 September 2023, six months' salary has been spent in the financial year and the balance is carried forward to be spent during the financial year 2023/24.

Tees Esk and Wear Valley Resilience Funding - to fund a staffs salary for the period 1 October 2022 to 30 September 2023, six months' salary has been spent in the financial year and the balance is carried forward to be spent during the financial year 2023/24.

Tees Valley Sport - to fund Stay Active Sessions for the period 1 April 2023 to 30 September 2023, therefore remains unspent at the year end.

Hospice Aid UK - to fund the purchase of two hoovers, this has been spent during the financial year 2023/24, therefore remains unspent at the year end.

Mogan & Mogan - to fund Easter treats, this has been spent during the financial year 2023/24, therefore remains unspent at the year end.

#### **Unrestricted Funds**

Unrestricted funds received during the year include contributions from the Penelope Martin Charitable Trust, the Jane Sunley Charitable Settlement, the Masonic Charitable Foundation, The February Foundation, CAF Resilience fund, Darlington Building Society, Neighbourly Community Fund, BNI Foundation, R E Chadwick Charitable Trust and The Albert Hunt Trust.

## Darlington & District Hospice Movement T/A St Teresa's Hospice

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 21 Analysis of net assets between funds

	Unrestricted General £	Restricted £	Total funds £
Tangible fixed assets	1,895,334	888,480	2,783,814
Net current assets/(liabilities)	3,073,709	-	3,073,709
Total net assets	4,969,043	888,480	5,857,523

	Unrestricted General £	Restricted £	Total funds at 31 March 2022 £
Tangible fixed assets	1,921,565	864,617	2,786,182
Net current assets/(liabilities)	3,599,052	-	3,599,052
Creditors over 1 year	(191,667)	-	(191,667)
Total net assets	5,328,950	864,617	6,193,567

#### 22 Analysis of net funds

	At 1 April 2022 £	Financing cash flows £	At 31 March 2023 £
Cash at bank and in hand	2,604,201	562,221	3,166,422
Debt due within one year	(50,000)	(141,667)	(191,667)
Debt due after more than one year	(191,667)	191,667	-
Net funds	2,362,534	612,221	2,974,755

	At 1 April 2021 £	Financing cash flows £	At 31 March 2022 £
Cash at bank and in hand	1,848,864	755,337	2,604,201
Debt due within one year	(8,333)	(41,667)	(50,000)
Debt due after more than one year	(241,667)	50,000	(191,667)
Net funds	1,598,864	763,670	2,362,534

#### 23 Related party transactions

During the year the charity made the following related party transactions:

##### North East Hospices Lottery Limited

(Common director's)

Income received amounting to £54,475. At the balance sheet date the amount due to/from North East Hospices Lottery Limited was £Nil (2022 - £Nil).