DERWENTSIDE HOSPICE CARE FOUNDATION

England & Wales · Charity number 519659

Details

Other names	WILLOW BURN HOSPICE
Status	Registered
Legal form	Charitable company
Company number	02263960
Registered	1988-07-12
Register	View on the Charity Commission register

Contact

Address	Willow Burn Hospice Maiden Law Hospital Lanchester Durham DH7 0QN
Phone	01207529224
Email	info@willowburnhospice.org.uk
Website	www.willow-burn.co.uk

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Activities

Objects: TO PROMOTE THE RELIEF OF SICKNESS BY:A) PROVIDING APPROPRIATE CARE TO PEOPLE IN THE LIFE LIMITING PHASE OF THEIR ILLNESS AND TO SUPPORT THE WHOLE FAMILY DURING THIS TIME AND IN BEREAVEMENT B) ESTABLISHING, MAINTAINING AND CONDUCTING HOSPITALS, RESIDENTIAL NURSING HOMES AND CLINICS FOR THE RECEPTION AND CARE OF PERSONS SUFFERING FROM ANY ILLNESS, DISABILITY, DISEASE OR OTHER INFIRMITY WHETHER PHYSICAL OR MENTAL BY PROVIDING MEDICAL OR OTHER TREATMENT AND ATTENTION FOR ANY SUCH PERSONS EITHER IN THEIR OWN HOMES OR AT ANY INSTITUTION OF THE CHARITY. C) PROMOTING OR ASSISTING IN THE TEACHING OR TRAINING OF DOCTORS, NURSES, PHYSIOTHERAPISTS AND OTHER PERSONS ENGAGED IN ANY BRANCH OF MEDICINE, SURGERY, NURSING OR ALLIED SERVICES, AND IN THE TEACHING OR TRAINING OF STUDENTS IN ANY BRANCH OF MEDICINE, SURGERY, NURSING OR ALLIED SERVICES. D) CONDUCTING OR PROMOTING RESEARCH INTO PALLIATIVE CARE AND TREATMENT OF PERSONS SUFFERING FROM ANY SUCH ILLNESS, DISABILITY, DISEASE OR INFIRMITY AS AFORESAID AND PARTICULARLY INTO THE CARE AND TREATMENT OF PERSONS SUFFERING FROM CANCER OR TERMINAL ILLNESS AND TO DISSEMINATE THE USEFUL RESULTS THEREOF TO THE PUBLIC. E) PROVIDING SUCH MEDICAL SUPPLIES, EQUIPMENT AND APPARATUS,DRUGS AMENITIES, COMFORTS AND OTHER THINGS CONDUCIVE TO THE MATERIAL OR SPIRITUAL WELFARE OF ANY PERSON RESIDENT OR WORKING IN ANY INSTITUTION OF THE CHARITY OR ANY PERSON BEING TREATED OR ATTENDING IN THEIR OWN HOMES AS THE CHARITY MAY THINK FIT. F) ARRANGING LECTURES AND CONDUCTING TRAINING COURSES AND PUBLISHING PAMPHLETS, BOOKS, JOURNALS AND OTHER PUBLICATIONS RELATING TO THE WORK OF THE CHARITY

Activities: Provides generalist palliative care in a six-bed inpatient and day hospice facility for individuals with life limiting illnesses

Classification

- **How:** Provides Services, Provides Advocacy/advice/information
- **What:** The Advancement Of Health Or Saving Of Lives
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** DERWENTSIDE
- Durham
- Northumberland

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Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£2,044,252	£1,552,179	£4,966,985	52
2024-03-31	£1,614,220	£1,387,068	£4,499,756	50
2023-03-31	£1,437,551	£1,275,736	£4,272,604	49
2022-03-31	£1,243,859	£1,186,367	£4,110,789	37
2021-03-31	£1,276,493	£1,052,802	£4,053,297	35

Trustees

Name	Role	Appointed
Andrew Allon		2022-11-09
IAN JAMES MURRAY		2025-11-12
Ian Alan Burke		2021-12-08
Jane Allison Robinson		2024-11-06
Jessica Simpson Ross		2025-11-12
Kathryn Elizabeth Bullen		2024-11-06
Lesley Anne Jeavons		2025-05-14
Lesley Telford		2020-10-07
MARK MCARDLE		2017-10-30
Nicola Hanson		2025-05-14
Patrick Alexander Joseph Morton		2024-11-06
Philip Damien Pollard		2022-11-09
Tania Frances Prior		2025-05-14
Yitka Nora Helena Graham Prof.		2025-11-12

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DERWENTSIDE HOSPICE CARE FOUNDATION

England & Wales - Charity number 519659

Accounts

Company registration number: 02263960

Charity registration number: 519659

Willow Burn

Derwentside Hospice Care Foundation

(A company limited by guarantee)

Annual Report & Financial Statements

for the year ending 31 March 2025

Derwentside Hospice Care Foundation

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Derwentside Hospice Care Foundation

Reference and Administrative Details

Company Registration Number	02263960
Charity Registration Number	519659
Solicitors	Ward Hadaway 102 Quayside Newcastle upon Tyne Tyne & Wear NE1 3DX
Bankers	Lloyds Bank 1 Victoria Road Consett Durham DH8 5AE CAF Bank Limited Head Office Kings Hill West Malling Kent ME19 4TA
Investment Managers	CCLA Investment Management Limited One Angel Lane London EC4R 3AB
Auditor	S & W Audit 17 Queens Lane Newcastle upon Tyne NE1 1RN

Derwentside Hospice Care Foundation

Trustees	P Jackson (Chair) (Resigned November 2024) J Robinson (Chair) (Appointed November 2024) A Allon R Bennett (Resigned November 2024) S E Brent (Resigned May 2025) K Bullen (Appointed November 2024) I A Burke N Hanson (Appointed May 2025) L Jeavons (Appointed May 2025) Dr C T Kelly M H McArdle P Morton (Appointed November 2024) P Pollard T Prior (Appointed May 2025) L Telford
Key Management Personnel	D E Barker – Chief Executive R Quince – Deputy Chief Executive and Head of Marketing & Fundraising C Hagri – Head of Clinical Services A Watson – Head of Finance J Crisp – Head of Facilities & Administration
Principal Office	Willow Burn Hospice Howden Bank Lanchester Durham DH7 0QS

The charity is incorporated in England and Wales.

Trustees' Annual 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 2025.

Derwentside Hospice Care Foundation

Trustees' Annual Report

Report from the Chair of the Board

My connections to Willow Burn Hospice are both professional and personal.

I first knew of Willow Burn when I attended the opening of the Helen McArdle In Patient Wing in June 2019 in my former capacity as Corporate Director, Adult and Health Services at Durham County Council. Then in 2022 my mum spent the last few weeks of her life at the hospice and our family were extremely grateful for the high quality care and support we received.

When the vacancy for Chair of the charity was advertised in early 2024, I saw it as an opportunity to both give something back but also be more involved in a sector which has interested me throughout my career, so I wanted to throw my hat in the ring.

At this point I would like to pay tribute to my predecessor in the role, Paul Jackson. I am grateful to Paul for handing over a strong and dynamic organisation. Paul's commitment to Willow Burn continues in his capacity as Honorary President.

These accounts, in part, cover my first year in the role and I have been highly impressed by the quality of services patients at the hospice receive. The Helen McArdle In Patient unit provides palliative and end of life support and the Sir Tom Cowie Day Centre enables patients to live well with their condition. These key services are augmented by family support and bereavement counselling support, including children's bereavement counselling. All services are provided by a small and dedicated staff team, supported by an amazing group of volunteers. Volunteers provide a vital service in supporting our shops, cafe, gardens, reception, administration and, of course, our Trustee Board are all volunteers. The charity is rightly grateful to all volunteers for giving up their time and energy for the benefit of others.

Funding for the hospice comes through two main routes. The majority is raised through a myriad of charitable fundraising activities supported by a contract from the North East and North Cumbria Integrated Care Board (NENC ICB).

The financial results highlighted in these accounts show a hugely successful year for the charity, despite operating in a tremendously difficult financial environment. The success is due, at a large degree, to legacies left to the charity and we are extremely grateful to anyone who has or would like to consider leaving a gift to the hospice.

I feel honoured to lead this charity and look forward to realising our vison where we are part of a community which treasures lives and where everyone is supported to live well and die well.

I have pleasure in commending this report.

Jane Robinson - Chair of the Board of Trustees

Trustees' Annual Report (continued)

Structure, governance and management

Nature of governing document

The organisation is a charitable company limited by guarantee, incorporated on 2 June 1988.

The charitable company was established under a Memorandum of Association that established the objects and powers of the organisation and is governed under its Articles of Association passed by special resolution in January 2013 and last updated on 19 May 2022. In the event of the charitable company being wound up, members are required to contribute an amount not exceeding £10.

Organisational structure

The charity is governed by its board of trustees who are also the appointed directors of the company. The number of trustees at present is twelve. The Trustees who served during the year, and were in office up to the signing of this report were:-

A Allon
R Bennett (Resigned November 2024)
S Brent (Resigned May 2025)
K Bullen
I Burke
N Hanson
L Jeavons
P Jackson (Retired November 2024)
Dr C Kelly
M McArdle
P Morton
P Pollard
T Prior
J Robinson
L Telford

Recruitment and appointment of trustees

Trustees can be elected or co-opted during the year and their appointment is confirmed at the Annual General Meeting (AGM). At each AGM one third of the Trustees must retire from office. The Trustees to retire by rotation are those who have been longest in office since their last appointment.

The Trustees aim to maintain a balanced skills and knowledge base amongst the Board members by identifying skills shortages when an opening exists for a new member. Representation relevant to the service user group is a key factor given the charity's mission.

Trustees' Annual Report (continued)

The Trustees are required to meet at least four times per year. At these meetings members receive detailed management accounts (including cashflow projections and reforecasts) as well as reports on operational activities each month. The Board also receive regular presentations and reports on any major developments or proposals. They participate in the strategic planning process and have ultimate responsibility for approval of the strategic plan.

Induction and training of trustees

New trustees are provided with a proper induction process and pack which details everything they need to know about the charity as well as their responsibilities as a trustee. Briefing papers and familiarisation training are affected for all trustees, as deemed necessary.

Sub-Committees

The Board of Trustees is supported by the following 3 sub-committees:

- **Finance Sub-Committee** which comprises of at least two trustees who are independent of the management team. At least one trustee is free from any relationship that in the opinion of the board would interfere with the exercise of independent judgement as members of the group. The responsibility of the group is to provide an effective review process of both current and future financial performance. The group meets at least four times a year, with monthly performance reporting continuing between meetings. The Head of Finance supports this sub-committee. The focus of the group is to continue to strengthen the charity day-to-day, and develop the long-term future of the organisation, while ensuring fruitful and prudent utilisation of its resources.
- **Charity & Resources Sub-Committee (formerly Fundraising & General Purposes)** which comprises of at least two trustees who are independent of the management team who are free from any relationship that in the opinion of the board would interfere with the exercise of independent judgement as members of the group. The group meets at least four times a year. The Deputy Chief Executive & Head of Marketing & Fundraising supports this sub-committee. The responsibility of the group is to provide an effective challenge and support in terms of business development, IT, HR, fundraising and marketing of the charity, in line with the wider strategic aims of the hospice.
- **Quality & Compliance Sub-Committee** which comprises of at least two trustees who are independent of the management team who are free from any relationship that in the opinion of the board would interfere with the exercise of independent judgement as members of the group. There is also a member of the sub-committee who is not a trustee to provide independent assurance and challenge to the group. The group meets at least four times a year. The Head of Clinical Services supports this sub-committee. The responsibility of the group is to provide an effective audit mechanism of current and future clinical activity and the development of future clinical strategy.

Trustees' Annual Report (continued)

Day-to-day management

The Chief Executive is responsible for the day-to-day management of the charity's affairs and for implementing the strategy as agreed by the Board. This is done within the boundaries of the budget and various policies and procedures also agreed by the Board. The Chief Executive appraises the Chair of any significant issues that may arise between formal meetings. The Chief Executive is supported by a senior management team that currently consists of the Deputy Chief Executive & Head of Marketing and Fundraising, Head of Clinical Services, Head of Finance and Head of Facilities and Administration. The management team (including the Chief Executive) hold regular meetings as needed, to address all relevant operational issues.

Key Management Personnel

The Board, who give their time freely and received no remuneration in the year, have considered who the Key Management Personnel (KMP) of the charity are, as noted in the Reference and Administration section. Together with the Board, these KMP are those in charge of directing and controlling, running and operating the activities of the charity on a day-to-day basis. The pay of the KMP is reviewed annually. The Trustees benchmark against pay levels of other charities and similar organisations within the sector and the region. Pay levels are set using this information together with the budget and forecast information, ensuring that the Charity can afford any proposed increases. The Board then agree any uplift to remuneration. Details of the KMP can be found on page 3.

Objectives and activities

Objects and aims

Derwentside Hospice Care Foundation's objects are to promote the relief of sickness by -

- Providing appropriate care to people in the life limiting phase of their illness and to support the whole family during this time and in bereavement.

- Establishing, maintaining and conducting hospitals, residential nursing homes and clinics for the reception and care of persons suffering from any illness, disability, disease or other infirmity whether physical or mental and providing medical or other treatment and attention for any such persons either in their own home or at any institution of the charity.

- Promoting or assisting in the teaching or training of doctors, nurses, physiotherapists and other persons engaged in any branch of medicine, surgery, nursing or allied services, and in the teaching or training of students in any branch of medicine, surgery, nursing or allied services.

- Conducting or promoting research into palliative care and treatment of persons suffering from any such illness, disability, disease or infirmity as aforesaid and particularly into the care and treatment of persons suffering from cancer or terminal illness and to disseminate the useful results thereof to the public.

Trustees' Annual Report (continued)

- Providing such medical supplies, equipment and apparatus, drugs, amenities, comforts and other things conducive to the material or spiritual welfare of any person resident or working in any institution of the charity or any person being treated or attending in their own houses that the charity may think fit.

- Arranging lectures and conducting training courses and publishing pamphlets, books, journals and other publications relating to the working of the charity.

Fundraising disclosures

The charity's Deputy Chief Executive and Head of Marketing & Fundraising continues to be a member of the Institute of Fundraising, and the charity follows best practice and regulations in all its fundraising activity. No complaints relating to fundraising activities have been received within the reporting period. The charity is registered with The Fundraising Regulator.

Public benefit

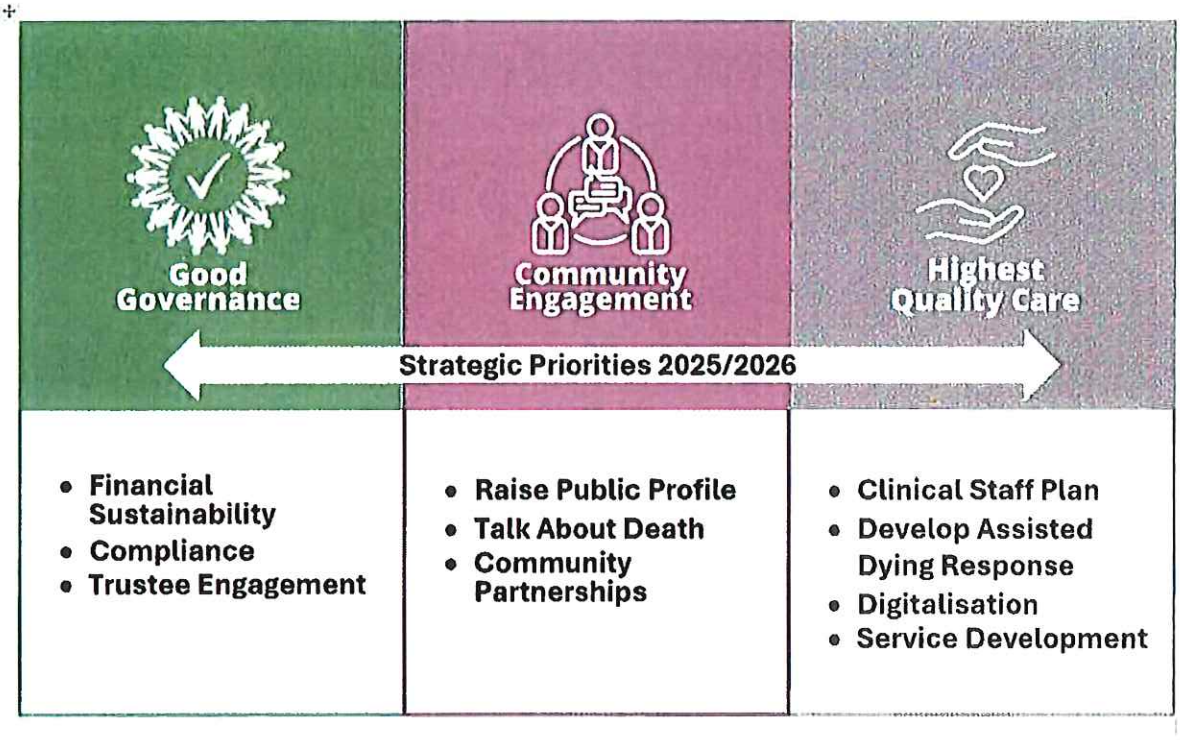
The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

The Mission, Vison & Values of the charity

Mission	To deliver hospice care of the highest standard to our patients and those important to them – now and in the future.
Vision	We are part of a community which treasures lives and where everyone is supported to live well and die well.
Values	**Caring:** We put care, compassion and dignity at the heart of everything we do. **Aspiring:** We are passionate about delivering services of the highest standard. **Responsible:** We are a responsible organisation that people can trust. **Empowering:** We support and enable people to make the choices that matter to them.

Trustees' Annual Report (continued)

Strategic priorities



The charity's Strategic Priorities are approved annually by the Board of Trustees and a detailed delivery Action Plan is developed in order to ensure progress is made towards achieving the strategic aims. The Action Plan is review quarterly at Trustee meetings.

Clinical Services - In patient unit

Willow Burn Hospice has in-patient capacity of six beds in the Helen McArdle Wing. Four of these are currently commissioned by the North East and North Cumbria Integrated Care Board to provide end-of-life care, symptom management and crisis intervention respite support. Spot Purchase requests for the additional beds are made for individual need for end-of-life patients. A further contract has been agreed with Continuing Health Care (CHC) for patients who may require longer term funding in a hospice bed where they are assessed either as not suitable for a nursing home placement or have a unique set of circumstances and 'fit' with the philosophy of hospice care.

Admissions are arranged through professional referrals and assessed and considered on a priority need basis. All patients and families have access to our family support team to meet their psychological and emotional needs as part of a holistic package of care. The in-patient unit is staffed continuously by one Registered Nurse (RGN) and one Healthcare Assistant (HCA), with additional staffing assessed for higher dependency and/or occupancy.

During the year ended 31st March 2025, the in-patient unit cared for 94 patients and their families. Average length of stay was 10 days.

Trustees' Annual Report (continued)

Clinical support is undertaken through the deployment of Hospice Doctors. When taken with our additional Service Level Agreement for Consultant cover, we have direct medical review available four days per week with plans to increase this to five. Arrangements are also in place to ensure additional appropriate medical review is available whenever needed.

Hospice Day Services

Day Centre services continue to meet the needs and wishes of the patients within the philosophy of supporting them to 'live well with their illness'. The service is provided three days a week and is managed with a dedicated RGN and HCA. The service provided support to 194 patients (120 patients in the previous year) and their families in the reporting period to ended 31st March 2025. A 12-week programme of planned activity within a period of attendance is usually offered, and support and sign-posting to other services is undertaken in preparation for discharge or if referrals to the service do not match with our provision. We continue to work with other organisations for reciprocal referrals in and out of services e.g. County Durham Carers and Macmillan Cancer Support. Day centre services are augmented by a Complementary Therapy service offering a range of relaxation and wellbeing therapies. In the year ended 31st March 2025 this service provided in excess of 500 complimentary therapy sessions to in-patients, day service patients and carers.

Family Services and Bereavement Support

Family Services and Bereavement support team worked with 189 patients (173 in the previous year) and their families throughout the year. They provide much needed support and counselling to adults and there is also a children's counselling service available.

The Hospice has a current Care Quality Commission rating of Good (last inspected 2016).

Our Hospice

Patient Care	2024/25	2023/24	2022/23	2021/22
In patients	94	102	84	85
Day Service patients	194	120	115	51
Family Support patients	189	173	218	178

Annual Action Plan achievements

The Charity develops an annual, Action Plan around the three strategic priorities of Good Governance, Community Engagement and Talk about Death. Some achievements are -

Good Governance

- Recruited new Trustees with expertise in IT, Retail, Quality and Business
- Embedded Blue Stream HR and Training system
- Transitioned to new IT support partner
- Restructured retail department (including opening a new shop in Lanchester)
- Secured Disability Confident Level 2 status

Trustees' Annual Report (continued)

Community Engagement

- Developed Will O'Burn mascot concept to engage younger people

- Launched 'Compassionate Willow Burn' project to further enable community support
- Reduced electricity usage from 120,000 to 62,000 Kwh in two years with positive impact on carbon footprint

Talk about death

- Engaged in the Assisted Dying debate at local, regional and national levels
- Received approval to develop Doctor input from three days per week to five
- Launched Dementia Carers support programme

"I wanted to take a moment to express my heartfelt gratitude for the exceptional care and compassion you provided to my grandmother during her time with you. Your team went above and beyond to ensure her comfort, dignity and well-being and it meant the world to our family. We are truly grateful for the kindness and professionalism shown by everyone involved. Your dedication to provide such a warm and caring environment brought us peace in a difficult time. Please know that your efforts made a profound difference and we will forever be thankful for all you did for her".

Trustees' Annual Report (continued)

Financial review

The Statement of Financial Activities (SoFA) shows that gross income increased from £1,614,220 to £2,044,252 and expenditure increased from £1,387,068 to £1,577,023. This resulted in a surplus of £467,229 (2024: £227,152) which has been allocated to restricted and unrestricted funds as shown in the SoFA.

The Trustees are satisfied with this position at the year-end and are keen to maintain the strength of overall reserves in the future.

Derwentside Hospice Care Foundation has continued to benefit from various grants during the year and the board of trustees gratefully acknowledge this support.

Work continues to improve how the income levels can be sustained and reviews of expenditure continue to be carried out to ensure the charity consistently achieves value for money. The Senior Management team are aware of the need to provide an efficient service that offers value for money to the community, without losing the emphasis on patient care and safety.

A strategic review of the charity is now completed with a strong strategic plan in place. The Board of Trustees and Senior Management Team will continue their efforts to provide a bright future for Derwentside Hospice Care Foundation, and a valued service for the people of Derwentside.

Policy on reserves

Trustees at Willow Burn Hospice believe it is important to use the financial resources of the charity to meet its mission of delivering hospice care of the highest standard to patients and those important to them – now and in the future.

Trustees have decided that this requires the charity to maintain a reserves policy based on service provision and long-term financial sustainability. Three key elements have been taken into consideration to assess a realistic reserve level. These are:

- The reliability of current contracted income and other income generation activities
- Planned expenditure requirements
- Contingencies and risks including loss of NHS contract and unplanned repairs to the hospice building

Based on this assessment Trustees have determined that a reserves figure of £1,000,000 is appropriate.

At the year end, free reserves were £1,243,944 (2024: £960,751), an increase of £283,193 in the year.

Trustees' Annual Report (continued)

Plans for future development

The charity plans to develop and invest in a number of new initiatives over the coming years. Chief among these are;-

- Plan to move to electronic medical record keeping – Data management is a key area for development in the sector.
- Improve facilities for patients – Installation of temperature control measures into all patient areas
- Day Service development – Day Hospice services provide vital support to patients and their families. The facility will aim to expand its range of services to enable more people to live well with their condition.
- Research – The charity continues to undertake research in partnership with Sunderland University, looking into aspects of Hospice care, including attitudes to Assisted Dying.
- Retail expansion – The charity continues to develop plans to open a furniture store with recycling capabilities. Further expansion through additional charity shops is also planned.
- Achieve 'Disability Confident' Level 2 status as an element of the charity's detailed Equality, Diversity & Inclusion plan.
- Develop our Compassionate Communities plan – Including the appointment of Compassionate Communities Ambassadors.

Going concern

The charity meets its day-to-day working capital requirements through cash generated from operations. 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 possible changes in trading performance.

Having considered the current cash forecasts of the Charity, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing these financial statements.

Trustees' Annual Report (continued)

Objectives and policies

The Trustees have a formal risk management process to assess business risks and implement risk management strategies. This process involves identifying the types of risks the Charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the Trustees review the adequacy of the Charity's current internal controls and the costs of operating particular controls relative to the benefits obtained. Procedures have been established for reporting failings immediately to appropriate levels of management and to the Trustees.

The Trustees are satisfied that the systems and procedures in place are sufficient to adequately mitigate identified risks to an acceptable level in the Charity's day-to-day operations.

Risk environment

The charity has robust systems in place for review of the risk registers within the organisation. An annual report is made to Trustees on the risk environment, risk registers are discussed at monthly Senior Management Team meetings and all changes in risk status are reported to Trustees.

Environmental, Sustainability and Governance (ESG) and Corporate responsibility

Like many responsible businesses, the Hospice continues to consider more deeply the impact it has on its environment and surroundings and how it might contribute to a more sustainable future. In recent years a number of changes have been implemented in line with the charity's Going Green Together Sustainability Statement and Plan.

Sustainability aspect	Details
Energy usage	Extensive solar panels fitted to in patient unit. All light fittings are replaced with LED bulbs. We have reduced our energy consumption year on year.
Travel	E-charging station fitted to hospice car park. Meetings are held on-line where there isn't a specific need to meet in person.
Water usage	Water reduction valves are fitted to our showers. We store and re-use rainwater on site for our gardens.
Food miles	The Café seeks to use in-season food sourced from local producers where possible.
Local environment	Look to create empathetic environments within our own gardens.

Trustees' Annual Report (continued)

Utility usage			
Performance aspect (Units)	Year to end March 2025	Year to end March 2024	Year to end March 2023
Electricity (kWh)	59,115	63,678	73,547
Gas (Therms)	185,165	168,402	150,711
Water (m3)	945	1000(Est)	600 (Est)

The charity has many opportunities for volunteers in shops, cafe, administration, gardening and at Trustee level. These opportunities enable people to contribute to the hospice, to the wider society and gain many positive personal elements in return.

Volunteers Contribution			
	Year to end March 2025	Year to end March 2024	Year to end March 2023
Estimated hours	21,500	21,745	21,778

We also recognise our duty to support other organisations by paying our suppliers promptly.

Financial instruments

The Hospice engaged an investment manager, CCLA, to manage a proportion of its free cash reserves. The threat of inflation eroding cash worth and low interest rates provided by conventional bank accounts meant that there was a risk of Reserves being depleted in value over time.

Taking into account cash forecasts and expectations, a prudent proportion of cash funds were handed over to CCLA to be managed in their COIF Ethical Investment Fund. It is intended that this will be a long-term arrangement, to provide the best opportunity for good returns, but this will be monitored regularly to ensure that the Fund Managers are performing adequately and adding to the continuing financial strength of the Hospice.

Other than (indirectly) within the CCLA Fund, the Hospice does not invest in any financial instruments.

Appointment of auditor

S&W Audit (formerly CLA Evelyn Partners Limited) were appointed auditors for the production of annual accounts from year ending 31 March 2023 and it is envisaged, subject to annual Trustee approval at AGM, that this will be a three year arrangement to be reviewed in 2025. A resolution to appoint S&W Audit will be proposed at the AGM.

Statement of Trustees' Responsibilities

The Trustees (who are also the directors of Derwentside Hospice Care Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally-Accepted Accounting Practice) and applicable laws 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:

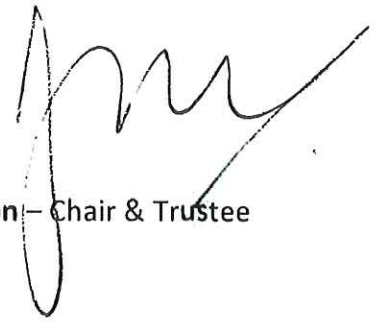
- select suitable accounting policies and apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statement; 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditor

Each trustee has taken steps that they ought to have taken as a trustee 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.

Approved by the trustees of the charity on 12th November 2025 and signed on their behalf by:



J Robinson – Chair & Trustee

Independent Auditor's Report to the members of Derwentside Hospice Care Foundation

Opinion

We have audited the financial statements of Derwentside Hospice Care Foundation (the 'charitable company') for the year ended 31 March 2025 which comprise the Statement of Financial Activities (Incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' Annual Report & Accounts. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Annual Report, which incorporates the Strategic Report and the Directors' Report prepared for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report contained within the Annual Report.

Independent Auditor's Report to the members of Derwentside Hospice Care Foundation (cont.)

We have nothing to report in respect of the following matters in relation to which 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;
- the trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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:

Independent Auditor's Report to the members of Derwentside Hospice Care Foundation (cont.)

We obtained a general understanding of the charitable company's legal and regulatory framework through enquiry of management concerning their understanding of relevant laws and regulations, the entity's policies and procedures regarding compliance, and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the charitable company's industry and regulation.

We understand that the charitable company complies with the framework through:

- Engaging external legal professionals as required and making changes to internal procedures and controls as necessary.
- Key managements close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly.
- Monitoring of updates made by regulatory bodies.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the charitable company's ability to conduct its business, and where there is a risk that failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the charitable company:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements.
- The Charities Act 2011 and the Charities: Statement of Recommended Practice in respect of the preparation and presentation of the financial statements.
- The organisation is registered with the Care Quality Commission (CQC) and meets the fundamental standards of care, including safety, dignity, consent, and good governance.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations identified above:

- Obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- Reviewing the minutes of meetings of those charged with governance;
- Reviewing any correspondence with the CQC in the period.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Manipulation of the financial statements via fraudulent journal entries and management overriding controls.
- The incorrect recognition of legacy income resulting in the income being recognised in the incorrect accounting period.

Independent Auditor's Report to the members of Derwentside Hospice Care Foundation (cont.)

- The incorrect recognition of grant and contract income resulting in the income being recognised in the incorrect accounting period.

These areas were communicated to the other members of the engagement team not present at the discussion.

The procedures we carried out to gain evidence in the above areas included:

- Performed data analytics on the general ledger against client specific criteria
- Assessing all of the legacy income recognised by management and determining whether the income had been recognised in accordance with the principles of the SORP.
- Obtained third party evidence for a sample of grants and contracts, to ensure that it was appropriate to recognise the income in the financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

C. Henderson

Craig Henderson
Senior Statutory Auditor, for and on behalf of
S&W Partners Audit Limited
Statutory Auditor
Chartered Accountants
17 Queens Lane
Newcastle upon Tyne
NE1 1RN

20 November 2025

Derwentside Hospice Care Foundation

Statement of Financial Activities for year-ended 31 March 2025

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

	Note	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Income and Endowments:					
Donations and legacies	3	789,225	82,820	**872,045**	**432,165**
Charitable Activities	4	654,837	-	**654,837**	**604,032**
Other trading activities	5	517,370	-	**517,370**	**481,355**
Unrealised gains on Investment	6	-	-	**-**	**96,668**
Total Income		**1,961,432**	**82,820**	**2,044,252**	**1,614,220**
Expenditure:					
Raising funds	7	(349,183)	-	**(349,183)**	**(341,337)**
Charitable activities	8	(1,152,996)	(50,000)	**(1,202,996)**	**(1,045,731)**
Total Expenditure		**(1,502,179)**	**(50,000)**	**(1,552,179)**	**(1,387,068)**
Net Income		**459,253**	**32,820**	**492,073**	**227,152**
Unrealised gains on Investment	6	(24,844)	-	(24,844)	-
Transfer between funds		32,820	(32,820)	-	-
		467,229	**-**	**467,229**	**227,152**
Reconciliation of funds					
Total funds brought forward		2,999,756	1,500,000	**4,499,756**	**4,272,604**
Total funds carried forward	22	**3,466,985**	**1,500,000**	**4,966,985**	**4,499,756**

All the Charity's activities derive from continuing operations during the above two periods and include all recognised gains and losses.

Comparative period	Note	Unrestricted funds £	Restricted funds £	Total 2024 £
Income and Endowments:				
Donations and legacies	3	353,481	78,684	**432,165**
Charitable Activities	4	604,032	-	**604,032**
Other trading activities	5	481,355	-	**481,355**
Investment income	6	96,668		**96,668**
Total Income		**1,535,536**	**78,684**	**1,614,220**
Expenditure:				
Raising funds	6	(341,337)	-	**(341,337)**
Charitable activities	7	(983,618)	(62,113)	**(1,045,731)**
Total Expenditure		**(1,324,955)**	**(62,113)**	**(1,387,068)**
Net Income		210,581	16,571	**227,152**
Transfer between funds		20,000	(20,000)	-
		230,581	**(3,429)**	**227,152**
Reconciliation of funds				
Total funds brought forward		2,769,175	1,503,429	**4,272,604**
Total funds carried forward	23	**2,999,756**	**1,500,000**	**4,499,756**

Derwentside Hospice Care Foundation

Balance Sheet for the year-ended 31 March 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	13	3,183,269	3,189,787
Intangible assets	14	760	-
Investments in subsidiaries	15	1	1
Investments	16	997,941	822,785
		4,181,971	4,012,573
Current assets			
Debtors	17	218,106	101,033
Cash at bank and in hand		689,301	460,955
		907,407	561,988
Creditors: Amounts falling due within one year	18	(122,393)	(74,805)
Net current assets		785,014	487,183
Net assets		4,966,985	4,499,756
Funds of the charity:			
Restricted funds		1,500,000	1,500,000
Unrestricted Funds		3,197,099	2,650,538
Designated Funds		269,886	349,218
Total funds	23	4,966,985	4,499,756

The financial statements on pages 21 to 39 were approved by the trustees, and authorised for issue on 12 November 2025, and signed on their behalf by

J Robinson – Chair & Trustee

Statement of Cash Flows for the year-ended 31 March 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Cash generated from operations		467,229	227,152
Adjustments to cash flows from non-cash items			
Depreciation & amortisation	13/14	94,439	88,853
Loss on disposal of fixed assets	13	344	140
Change in fair value of investments	6	24,844	(96,668)
		586,856	219,477
Working capital adjustments			
(Increase)/decrease in debtors	17	(117,073)	93,719
Increase/(decrease) in creditors	18	34,177	20,126
Increase/(decrease) in deferred income	18	13,411	2,490
Net cash flows from operating activities		517,371	353,812
Cash flows from investing activities			
Purchase of tangible fixed assets	13	(88,075)	(82,223)
Purchase of intangible fixed assets	14	(950)	-
Purchase of investments	6	(200,000)	(100,000)
Net cash flows from investing activities		(289,025)	(182,223)
Cash flows from financing activities			
Interest payable and similar charges		-	-
Net increase in cash and cash equivalents		228,346	153,589
Opening cash and cash equivalents at 1 April		460,955	307,366
Cash and cash equivalents at 31 March	24	689,301	460,955

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

Notes to the Financial Statements for the year-ended 31 March 2025

1. Charity Status

The Charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the Trustees is liable to contribute an amount not exceeding £10 towards the assets of the Charity in the event of liquidation.

The address of its registered office is Willow Burn Hospice, Howden Bank, Lanchester, Durham, DH7 0QS

2. Accounting Policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation
Derwentside Hospice Care Foundation 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 presentation currency of the charitable company is Sterling.

Going concern
The Charity meets its day-to-day working capital requirements through cash generated from operations. 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 possible changes in their performance.
Having considered the current cash forecasts of the Charity the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing these financial statements. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

Notes to the Financial Statements for the year-ended 31 March 2025 (continued)

2. Accounting policies (continued)

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 judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Assessing indicators of impairment - In assessing whether there have been any indicators of impairment of assets, the trustees have considered both external and internal sources of information such as market conditions and experience of recoverability. Whilst the property remains in the financial statements at its written down historic cost (some £3.17m) the trustees recognise that this is on the basis of justifying its value in use, which is likely to exceed the net recoverable value in the event that the Charity was not a going concern and needed to sell the property.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are as follows:

Depreciation is projected to write off the cost of an asset, less its residual value, over its estimated useful economic life. Rates used to project useful economic life are detailed in the depreciation accounting policy.

Income and endowments

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received, and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the Charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the Charity before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case-by-case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the Charity.

Grants receivable

Grants are recognised when the Charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Notes to the Financial Statements for the year-ended 31 March 2025 (continued)

2. Accounting policies (continued)

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- the donor specifies that the grant or donation must only be used in future accounting periods; or
- the donor has imposed performance conditions which must be met before the Charity has unconditional entitlement.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Charity's activities. These costs, which have not been directly apportioned, have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in the relevant note to the financial statements.

Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially 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.

Tangible fixed assets

Individual fixed assets costing £500 or more are initially recorded at cost.

Notes to the Financial Statements for the year-ended 31 March 2025 (continued)

2. Accounting policies (continued)

Depreciation and amortisation

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

Asset class	Depreciation method and rate
Freehold land & buildings	2% straight line
Plant & machinery	10% straight line
Computer equipment	50% straight line
Fixtures, fittings and equipment (non-medical)	20% straight line
Fixtures, fittings and equipment (medical)	33% straight line
Intangible assets	20% straight line

A full year's depreciation is charged in the year an asset is purchased.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

Unrestricted income funds are general funds that are available for use at the Trustees' discretion in furtherance of the objectives of the Charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the Trustees. Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post-retirement obligations

All eligible employees are automatically enrolled into a workplace pension scheme provided by Derwentside Hospice Care Foundation. Some clinical staff are members of the NHS pension scheme. Contributions are charged to the income and expenditure account as they become payable.

Notes to the Financial Statements for the year-ended 31 March 2025 (continued)

2. **Accounting policies (continued)**

Investments
Investments in subsidiaries and associates are measured at cost less impairment.

3. **Income from donations and legacies**

	Unrestricted funds General	Restricted funds	Total 2025	Total 2024
	£	£	£	£
Donations	144,637	-	**144,637**	**133,021**
Legacies	584,268	-	**584,268**	**120,387**
Gift Aid reclaimed	26,960	-	**26,960**	**36,007**
Grants	19,115	82,820	**101,935**	**130,184**
Regular giving	14,245	-	**14,245**	**12,566**
	789,225	82,820	**872,045**	**432,165**

4. **Income from charitable activities**

	Total 2025	Total 2024
	£	£
NHS contract	**606,559**	**580,438**
Additional hospice income	**48,278**	**23,594**
	654,837	**604,032**

5. **Income from other trading activities**

	Total 2025	Total 2024
	£	£
Shop income from sale of donated goods and services	**267,087**	**248,244**
Other events income	**133,298**	**131,396**
Café and merchandise income	**94,399**	**94,265**
Other income	**9,030**	**4,684**
Interest received	**13,556**	**2,766**
	517,370	**481,355**

Notes to the Financial Statements for the year-ended 31 March 2025 (continued)

6. Unrealised gains on investments

	Total 2025	Total 2024
	£	£
Unrealised gains on investments	(24,844)	96,668

A Charities Ethical Investment Fund portfolio account was opened with CCLA on 19th May 2022 with £600,000 being deposited into the investment portfolio. An additional amount of £100,000 was also deposited into the portfolio on 27th October 2023. Further additional amounts totalling £200,000 on 14th February 2025 were deposited during the year end 31st March 2025. The movement on the initial investment from the date of deposit to the balance at the year-end is shown above.

7. Expenditure on raising funds

	Total 2025	Total 2024
	£	£
Staff costs	190,309	194,210
Other costs	158,874	147,127
	349,183	341,337

8. Expenditure on charitable activities

	Unrestricted funds	Restricted funds	Total 2025	Total 2024
	£	£	£	£
Charitable activity costs	263,736	-	263,736	226,834
Staff costs	646,122	50,000	696,122	602,253
Loss on disposal of fixed asset	344	-	344	-
Support costs	242,794	-	242,794	216,644
	1,152,996	50,000	1,202,996	1,045,731

Notes to the Financial Statements for the year-ended 31 March 2025 (continued)

Analysis of support costs

Derwentside Hospice Care Foundation allocates costs direct to activities as far as possible, then identifies the remaining costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the key charitable activities undertaken in the year. Refer to the table below for the apportionment and analysis of support and governance costs.

Support costs allocated to charitable activities

	Governance costs	Other support costs	Total	Total
			2025	2024
	£	£	£	£
Staff costs	-	146,683	**146,683**	**141,749**
Insurance	-	25,460	**25,460**	**24,710**
IT costs	-	28,675	**28,675**	**29,475**
Professional costs	-	32,976	**32,976**	**12,210**
Audit fee	9,000	-	**9,000**	**8,500**
	9,000	233,794	**242,794**	**216,644**

9. Taxation

The charity is a registered charity and is therefore exempt from corporate taxation.

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 from the charity during the year

Notes to the Financial Statements for the year-ended 31 March 2025 (continued)

11. Staff costs

The aggregate payroll costs were as follows:

	Total 2025	Total 2024
Staff costs during the year were	**£**	**£**
Wages and salaries	**950,616**	**866,844**
Social security costs	**67,462**	**58,898**
Pension costs	**15,037**	**12,475**
	1,033,115	**938,217**

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

	Total 2025	Total 2024
Management	**5**	**5**
Other staff	**47**	**45**
	52	**50**

The average number of full-time equivalent employees included above is 17 (2024: 16). Derwentside Hospice Care Foundation adopts a flexible working policy which enables employees to request changes to their contracted hours to facilitate their physical and mental well-being to maintain a good work/life balance.

No employee received emoluments of more than £60,000 during the year (2024 – None).

The total employee benefits of the key management personnel of the charity were £216,477 (2024 - £203,379).

12. Auditor's remuneration

	2025	2024
	£	**£**
Audit fee	**10,000**	**8,500**

Notes to the Financial Statements for the year-ended 31 March 2025 (continued)

13. Tangible fixed assets

	Land and buildings	Furniture and equipment	Total
	£	£	£
Cost			
At 1 April 2024	3,594,014	624,154	4,218,168
Additions	8,796	79,279	88,075
Disposals	-	(1,720)	(1,720)
At 31 March 2025	**3,602,810**	**701,713**	**4,304,523**
Depreciation			
At 1 April 2024	487,370	541,011	1,028,381
Charge for year	62,949	31,300	94,249
Disposals	-	(1,376)	(1,376)
At 31 March 2025	**550,319**	**570,935**	**1,121,254**
Net book value			
At 31 March 2025	**3,052,491**	**130,778**	**3,183,269**
At 31 March 2024	3,106,644	83,143	3,189,787

There is a time-bound, legal charge over all buildings, fixtures and fittings and fixed plant and machinery that are situated on or form part of the freehold land and buildings at Howden Bank, Lanchester, Durham which is registered at the Land Registry under Title Number DU328389 and each and every part thereof subject to the encumbrances referred to in the registered title at any time; the proceeds of the sale of any part of the Property and any other monies paid or payable in respect of or in connection with the Property, the benefit of any covenants for title given, or entered into, by any predecessor in title of the Recipient in respect of the Property, and any monies paid or payable in respect of those covenants; and all rights under any licence, agreement for sale or agreement for lease in respect of the Property (see Note 20).

14. Intangible fixed assets

	Trademark	Total
	£	£
Cost		
At 1 April 2024	-	-
Additions	950	950
Disposals	-	-
At 31 March 2025	**950**	**950**
Depreciation		
At 1 April 2024	-	-
Charge for year	190	190
Disposals	-	-
At 31 March 2025	**190**	**190**
Net book value		
At 31 March 2025	**760**	**760**

Notes to the Financial Statements for the year-ended 31 March 2025 (continued)

15. Investment in subsidiary

	2025	2024
	£	£
Other investments	1	1

	Hazelbrook Specialist Care	Total
	£	£
Cost		
At 1 April 2024	1	1
At 31 March 2025	**1**	**1**
Net book value		
At 31 March 2025	**1**	**1**
At 31 March 2024	1	1

Hazelbrook Specialist Care at Home Ltd (HSCH) is a wholly owned subsidiary trading company of Derwentside Hospice Care Foundation (100% ordinary shares). Hazelbrook Specialist Care at Home Ltd is a dormant entity and as such, consolidated accounts have not been prepared in 2025.

16. Investments

	2025	2024
	£	£
As at 1 April 2024	**822,785**	**626,117**
Additions	**200,000**	**100,000**
Change in Market Value	**(24,844)**	**96,668**
As at 31 March 2025	**997,941**	**822,785**

17. Debtors

	2025	2024
	£	£
Trade debtors	**37,064**	**7,884**
Other debtors	**125**	**-**
Prepayments	**41,982**	**37,931**
Accrued income	**124,176**	**48,203**
VAT recoverable	**14,759**	**7,015**
	218,106	**101,033**

Included in accrued income are legacy donations of £94,900 (2024: £15,000) notified to us prior to the year end and due to be received post year-end.

Notes to the Financial Statements for the year-ended 31 March 2025 (continued)

18. Creditors

	2025	2024
	£	£
Trade creditors	56,473	10,962
Other taxation and social security	17,818	18,027
Other creditors	3,696	5,694
Accruals	27,040	36,167
Deferred income	17,366	3,955
	122,393	74,805
Deferred income at 1 April 2024	3,955	1,465
Resources deferred in the period	17,366	3,955
Amounts released from previous periods	(3,955)	(1,465)
Deferred income at year end	17,366	3,955

Other creditors include £497 (2024: £497) of inter-company loan, owing to Hazelbrook Specialist Care at Home Limited. This company is currently dormant, and there are no interest or repayment conditions attached to this sum.

19. Obligations under lease contracts

Operating lease commitments

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

	Land & buildings	Other	2025	2024
	£	£	£	£
Within one year	28,542	1,592	30,134	41,304
Between one and five years	106,000	2,921	108,921	112,555
Over five years	14,042	-	14,042	55,042
	148,584	4,513	153,097	208,901

20. 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 £15,037 (2024 - £12,475).

Contributions included in creditors totalling £3,192 (2024: £5,195) were payable at the end of the period.

21. Contingent liabilities

Included as a restricted reserve is a grant received in 2019 of £1,500,000 from Michael McArdle. Until May 2039 the charity has agreed to meet the conditions of the contract for receiving the grant. Should any of the conditions be breached, then the grant would be repayable. The repayment terms stipulate that this would be a full repayment of the grant in years one to eleven (subject to any decrease in the overall fair value of the Helen McArdle Wing, if lower), with the repayment then reducing by 10% each subsequent year up to year twenty of the agreement.

Notes to the Financial Statements for the year-ended 31 March 2025 (continued)

22. Analysis of net assets between funds

	Unrestricted funds General	Designated	Restricted funds	Total funds
	£	£	£	£
Tangible/intangible fixed assets	1,684,029	-	1,500,000	**3,184,029**
Fixed asset investments	1	-	-	**1**
Investment	997,941	-	-	**997,941**
Net current assets	515,128	269,886	-	**785,014**
Total net assets	**3,197,099**	**269,886**	**1,500,000**	**4,966,985**

Tangible fixed assets shown between unrestricted and restricted funds are subject to a legal charge as detailed in the fixed asset note and note 22. Further details of the split between funds are given in the contingent liabilities note.

The trustees only consider the fixed assets to be restricted due to the legal charge in place and have therefore capped the value allocated as restricted at the original grant value awarded of £1.5 million.

Comparative analysis	Unrestricted funds General	Designated	Restricted funds	Total funds
	£	£	£	£
Tangible/intangible fixed assets	1,689,787	-	1,500,000	**3,189,787**
Fixed asset investments	1	-	-	**1**
Investment	822,785	-	-	**822,785**
Net current assets	137,965	349,218	-	**487,183**
Total net assets	**2,650,538**	**349,218**	**1,500,000**	**4,499,756**

Notes to the Financial Statements for the year-ended 31 March 2025 (continued)

23. Funds

	Balance at 1 April 2024	Incoming resources	Resources expended	Transfers	Balance at 31 March 2025
	£	£	£	£	£
Unrestricted funds					
General fund	2,650,538	1,936,588	(1,422,847)	32,820	3,197,099
Designated funds					
Contingent Liabilities	205,000	-	-	-	205,000
Development Fund	144,218	-	(79,332)	-	64,886
Total unrestricted funds	2,999,756	1,936,588	(1,502,179)	32,820	3,466,985
Restricted funds					
Hospice UK Capital Grants Programme 2024/25		24,147		(24,147)	-
Julia & Hans Rausing Trust	-	50,000	(50,000)	-	-
Co Durham Community Fund	-	8,673		(8,673)	-
Michael McArdle	1,500,000	-	-	-	**1,500,000**
Total restricted funds	**1,500,000**	82,820	(50,000)	(32,820)	**1,500,000**
Total funds	**4,499,756**	2,019,408	(1,552,179)	-	**4,966,985**

Transfers

The transfer relates to amounts being transferred out of the Hospice UK Capital Grants programme and the Co Durham Community Fund to unrestricted funds on the purchase of the assets, at which point the restriction on these funds was lifted.

Designated Funds

The contingent liability represents funds to cover adverse trading conditions and increases in the cost of living.

The development fund is monies set aside as agreed by the board with the intention of being spent on future plans for the hospice including service development, green initiatives to make the hospice even more eco-friendly and essential works to maintain the building.

Notes to the Financial Statements for the year-ended 31 March 2025 (continued)

Restricted Funds

Hospice UK Capital Grants Programme
This grant was awarded to us to be spent on capital assets before the year-ended 31st March 2025 We were awarded £24,147 in this first phase which was fully utilised during 2024/2025.

Julia & Hans Rausing Trust
Julia & Hans Rausing Trust have awarded us £50,0000 during 2024/2025 towards the rising costs due to surging energy prices and the increases to the National Living Wage costs.

Co Durham Community Fund
They awarded us £8,673 towards the cost of upgrading our patient's recliner chairs.

Michael McArdle

A donation was made in 2019 of £1,450,000 (following an earlier instalment of £50,000) to fund the building of the McArdle Wing. The asset valuation is reduced annually by the depreciation charge incurred on the works and currently stands at £1,318,788 (total cost £1,533,474). Following signature of grant agreements, the donation clawback remains restricted (up to a value of £1,500,000; see Note 20) for a total period of 20 years through to 31 May 2039 when the restriction ends, after which time the remaining asset will be de-restricted and transferred to unrestricted reserves.

Notes to the Financial Statements for the year-ended 31 March 2025 (continued)

Comparative analysis

	Balance at 1 April 2023	Incoming resources	Resources expended	Transfers	Balance at 31 March 2024
	£	£	£	£	£
Unrestricted funds					
General fund	2,469,175	1,535,536	(1,254,173)	(100,000)	2,650,538
Designated funds					
Contingent Liabilities	205,000	-	-	-	205,000
Development Fund	95,000		(70,782)	120,000	144,218
Total unrestricted funds	2,769,175	1,535,536	(1,324,955)	20,000	2,999,756
Restricted funds					
NHS (NENC) & ICB	3,429	-	(3,429)	-	-
Hospice UK (re Carers)	-	7,084	(7,084)	-	-
Hospice UK Solar Panels	-	20,000	-	(20,000)	-
Julia & Hans Rausing Trust	-	50,000	(50,000)	-	-
Co Durham Community Fund	-	1,600	(1,600)	-	-
Michael McArdle	1,500,000	-	-	-	**1,500,000**
Total restricted funds	**1,503,429**	78,684	(62,113)	(20,000)	**1,500,000**
Total funds	**4,272,604**	1,614,220	(1,387,068)	-	**4,499,756**

Transfers

Two transfers of funds have taken place during the year. The first transfer is to transfer an amount from general unrestricted into designated. This transfer was to bring the total Development Fund up to the amount the Trustees currently believe is required to undertake the required developments to the hospice in the short term. The other transfer relates to a transfer out of the Hospice UK Solar Panels fund, with the balance being transferred to general unrestricted funds on the purchase of the solar panels, at which point the restriction on these funds was lifted.

Designated Funds

The contingent liability represents funds to cover adverse trading conditions and increases in the cost of living.

The development fund is monies set aside as agreed by the board with the intention of being spent on future plans for the hospice including service development, green initiatives to make the hospice even more eco-friendly and essential works to maintain the building.

Notes to the Financial Statements for the year-ended 31 March 2025 (continued)

24. Analysis of movement in net funds

	At 1 April 2024	Cash flow	At 31 March 2025
	£	£	£
Cash at bank and in hand	460,955	228,346	**689,301**
Net funds	460,955	228,346	**689,301**

Comparative analysis

	At 1 April 2023	Cash flow	At 31 March 2024
	£	£	£
Cash at bank and in hand	307,366	153,589	**460,955**
Net funds	307,366	153,589	**460,955**

25. Related party transactions

There is nothing to report in respect of related party transactions.

DERWENTSIDE HOSPICE CARE FOUNDATION

England & Wales - Charity number 519659

Accounts

Company registration number: 02263960

Charity registration number: 519659

Willow Burn

Derwentside Hospice Care Foundation

(A company limited by guarantee)

Annual Report & Financial Statements

for the year ending 31 March 2024

Derwentside Hospice Care Foundation

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Derwentside Hospice Care Foundation

Reference and Administrative Details

Company Registration Number	02263960
Charity Registration Number	519659
Solicitors	Ward Hadaway 102 Quayside Newcastle upon Tyne Tyne & Wear NE1 3DX
Bankers	Lloyds Bank 1 Victoria Road Consett Durham DH8 5AE CAF Bank Limited Head Office Kings Hill West Malling Kent ME19 4TA
Investment Managers	CCLA Investment Management Limited One Angel Lane London EC4R 3AB
Auditor	CLA Evelyn Partners Limited 17 Queens Lane Newcastle upon Tyne NE1 1RN

Derwentside Hospice Care Foundation

Trustees	P Jackson (Chair) A Allon R Bennett S E Brent I A Burke Dr C T Kelly M H McArdle P Pollard L Telford
Key Management Personnel	D E Barker – Chief Executive R Quince – Deputy Chief Executive and Head of Marketing & Fundraising C Hagri – Head of Clinical Services A Watson – Head of Finance J Crisp – Head of Facilities & Administration
Principal Office	Willow Burn Hospice Howden Bank Lanchester Durham DH7 0QS

The charity is incorporated in England and Wales.

Trustees' Annual 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 2024.

Derwentside Hospice Care Foundation

Trustees' Annual Report

Report from the Chair of the Board

These year-end accounts mark the end of a very important time for me personally. I step down as Chair at the AGM in November 2024 so these accounts are the last ones I will sign as Chair of the charity. My connection to Willow Burn Hospice goes back over two decades so I'm delighted to have overseen an organisation which has continued to get stronger – both in terms of service provision and financial sustainability.

The hospice in patient unit had its busiest year ever, providing high quality care and support to more people at the end of life, and to more families.

Our Day Services proved highly popular and the feedback we receive demonstrates the need for such a facility to continue and to develop further.

The need for Bereavement Counselling (including a vital service to children) is proven beyond doubt and there is a strong demand for these services.

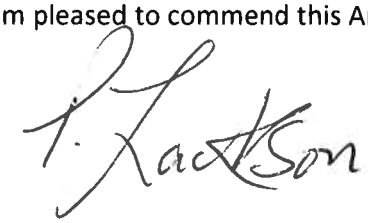
Our Community Engagement work had some notable highlights during the year including our ever-popular Charity Ball. The annual Light Up A Life Service at Lanchester Methodist Church was a beautiful celebration of what our work means to people. Once again, our fundraisers have had a fantastic year with our Nurses' Summer and Christmas Fayres a real highlight. The Willows Café continues to be both a vital fundraiser for the charity and an energetic community hub.

The charity invested in substantial solar panelling at the hospice and this will support our drive to lower carbon emissions in the long term as well as reduce bills in the short term.

We rely on a small team of highly dedicated staff delivering high quality care and support, across the wide remit of our activities. The staff are supported brilliantly, by a team of committed volunteers. Whether in the gardens, the shops, the cafe, reception and administration or day service our volunteer's work is highly regarded by all. My fellow Board members are also volunteers and I have had the pleasure of working with a fantastic team of talented and committed Trustees, people who have made my role as Chair a true pleasure and an honour.

I look forward to supporting the charity in a different capacity from now on.

I am pleased to commend this Annual Report and Accounts.



Paul Jackson - Chair of the Board of Trustees

Trustees' Annual Report (continued)

Structure, governance and management

Nature of governing document

The organisation is a charitable company limited by guarantee, incorporated on 2 June 1988.

The charitable company was established under a Memorandum of Association that established the objects and powers of the organisation and is governed under its Articles of Association passed by special resolution in January 2013, and last updated on 19 May 2022. In the event of the charitable company being wound up, members are required to contribute an amount not exceeding £10.

Organisational structure

The charity is governed by its board of trustees who are also the appointed directors of the company. The number of trustees at present is nine. The Trustees who served during the year, and were in office up to the signing of this report were:-

P Jackson (Chair)
G Bell (appointed 8th Nov 2023 and resigned 30th May 2024)
R Bennett
S E Brent
I A Burke
Dr C T Kelly
M H McArdle
L Telford
A Allon
P Pollard

Recruitment and appointment of trustees

Trustees can be elected or co-opted during the year and their appointment is confirmed at the Annual General Meeting (AGM). At each AGM one third of the Trustees must retire from office. The Trustees to retire by rotation are those who have been longest in office since their last appointment.

The Trustees aim to maintain a balanced skills and knowledge base amongst the Board members by identifying skills shortages when an opening exists for a new member. Representation relevant to the service user group is a key factor given the charity's mission.

The Trustees are required to meet at least four times per year. At these meetings members receive detailed management accounts (including cashflow projections and reforecasts) as well as reports on operational activities each month. The Board also receive regular presentations and reports on any major developments or proposals. They participate in the strategic planning process and have ultimate responsibility for approval of the strategic plan.

Induction and training of trustees

New trustees are provided with a proper induction process and pack which details everything they need to know about the charity as well as their responsibilities as a trustee. Briefing papers and familiarisation training are affected for all trustees, as deemed necessary.

Trustees' Annual Report (continued)

Sub-Committees

The Board of Trustees is supported by the following 3 sub-committees:

- **Finance & General purposes Sub-Committee** which comprises of at least two trustees who are independent of the management team. At least one trustee is free from any relationship that in the opinion of the board would interfere with the exercise of independent judgement as members of the group. The responsibility of the group is to provide an effective review process of both current and future financial performance. The group meets at least four times a year, with monthly performance reporting continuing between meetings. The Head of Finance supports this sub-committee. The focus of the group is to continue to strengthen the charity day-to-day, and develop the long-term future of the organisation, while ensuring fruitful and prudent utilisation of its resources.

- **Marketing & Fundraising Sub-Committee** which comprises of at least two trustees who are independent of the management team who are free from any relationship that in the opinion of the board would interfere with the exercise of independent judgement as members of the group. The group meets at least four times a year. The Deputy Chief Executive & Head of Marketing & Fundraising supports this sub-committee. The responsibility of the group is to provide an effective challenge and support in terms of business development, fundraising and marketing of the charity, in line with the wider strategic aims of the hospice.

- **Quality & Compliance Sub-Committee** which comprises of at least two trustees who are independent of the management team who are free from any relationship that in the opinion of the board would interfere with the exercise of independent judgement as members of the group. There is also a member of the sub-committee who is not a trustee to provide independent assurance and challenge to the group. The group meets at least four times a year. The Head of Clinical Services supports this sub-committee. The responsibility of the group is to provide an effective audit mechanism of current and future clinical activity and the development of future clinical strategy.

Day-to-day management

The Chief Executive is responsible for the day-to-day management of the charity's affairs and for implementing the strategy as agreed by the Board. This is done within the boundaries of the budget and various policies and procedures also agreed by the Board. The Chief Executive appraises the Chair of any significant issues that may arise between formal meetings. The Chief Executive is supported by a senior management team that currently consists of the Deputy Chief Executive & Head of Marketing and Fundraising, Head of Clinical Services, Head of Finance and Head of Facilities and Administration. The management team (including the Chief Executive) hold regular meetings as needed, to address all relevant operational issues.

Trustees' Annual Report (continued)

Key Management Personnel

The Board, who give their time freely and received no remuneration in the year, have considered who the Key Management Personnel (KMP) of the charity are, as noted in the Reference and Administration section. Together with the Board, these KMP are those in charge of directing and controlling, running and operating the activities of the charity on a day-to-day basis. The pay of the KMP is reviewed annually. The Trustees benchmark against pay levels of other charities and similar organisations within the sector and the region. Pay levels are set using this information together with the budget and forecast information, ensuring that the Charity can afford any proposed increases. The Board then agree any uplift to remuneration. Details of the KMP can be found on page 2.

Objectives and activities

Objects and aims

Derwentside Hospice Care Foundation's objects are to promote the relief of sickness by -

- Providing appropriate care to people in the life limiting phase of their illness and to support the whole family during this time and in bereavement.

- Establishing, maintaining and conducting hospitals, residential nursing homes and clinics for the reception and care of persons suffering from any illness, disability, disease or other infirmity whether physical or mental and providing medical or other treatment and attention for any such persons either in their own home or at any institution of the charity.

- Promoting or assisting in the teaching or training of doctors, nurses, physiotherapists and other persons engaged in any branch of medicine, surgery, nursing or allied services, and in the teaching or training of students in any branch of medicine, surgery, nursing or allied services.

- Conducting or promoting research into palliative care and treatment of persons suffering from any such illness, disability, disease or infirmity as aforesaid and particularly into the care and treatment of persons suffering from cancer or terminal illness and to disseminate the useful results thereof to the public.

- Providing such medical supplies, equipment and apparatus, drugs, amenities, comforts and other things conducive to the material or spiritual welfare of any person resident or working in any institution of the charity or any person being treated or attending in their own houses that the charity may think fit.

- Arranging lectures and conducting training courses and publishing pamphlets, books, journals and other publications relating to the working of the charity.

Trustees' Annual Report (continued)

Fundraising disclosures

The charity's Deputy Chief Executive and Head of Marketing & Fundraising continues to be a member of the Institute of Fundraising and the charity follows best practice and regulations in all its fundraising activity. No complaints relating to fundraising activities have been received within the reporting period. The charity is registered with The Fundraising Regulator.

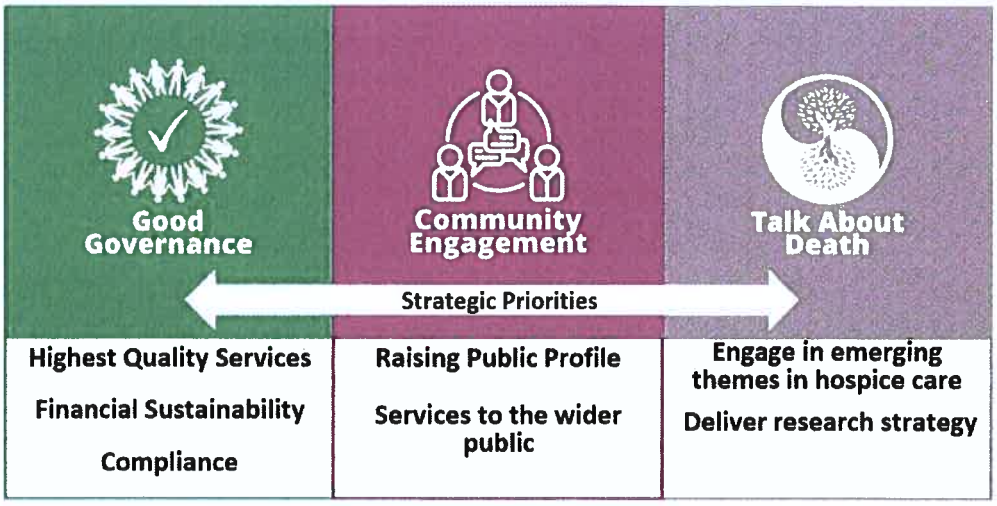
Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

The Mission, Vison & Values of the charity

Mission	To deliver hospice care of the highest standard to our patients and those important to them – now and in the future.
Vision	We are part of a community where we treasure lives and everyone is supported to live well and die well.
Values	**Caring:** We put care, compassion and dignity at the heart of everything we do. **Aspiring:** We are passionate about delivering services of the highest standard. **Responsible:** We are a responsible organisation that people can trust. **Empowering:** We support and enable people to make the choices that matter to them.

Strategic priorities



Trustees' Annual Report (continued)

The charity's Strategic Priorities are approved annually by the Board of Trustees and a detailed delivery plan is developed in order to ensure progress is made towards achieving the strategic aims.

Clinical Services - In patient unit

Willow Burn Hospice has in-patient capacity of six beds in the Helen McArdle Wing. Four of these are currently commissioned by the North East and North Cumbria Integrated Care Board to provide end-of-life care, symptom management and crisis intervention respite support. Spot Purchase requests for the additional beds are made for individual need for end-of-life patients. A further contract has been agreed with Continuing Health Care (CHC) for patients who may require longer term funding in a hospice bed where they are assessed either as not suitable for a nursing home placement or have a unique set of circumstances and 'fit' with the philosophy of hospice care.

Admissions are arranged through professional referrals and assessed and considered on a priority need basis. All patients and families have access to our family support team to meet their psychological and emotional needs as part of a holistic package of care. The in-patient unit is staffed continuously by one Registered Nurse (RGN) and one Healthcare Assistant (HCA), with additional staffing assessed for higher dependency and/or occupancy.

During the year ended 31st March 2024, the in-patient unit cared for 102 patients (84 patients in the previous year) and their families. Average length of stay was 9 days.

Clinical support is undertaken through the deployment of two General Practitioners with Special Interest (GPSI). When taken with our additional Service Level Agreement for Consultant cover, we have direct medical review available three days per week. Arrangements are also in place to ensure additional appropriate medical review is available whenever needed.

Hospice Day Services

Day Centre services continue to meet the needs and wishes of the patients within the philosophy of supporting them to 'live well with their illness'. The service is provided three days a week and is managed with a dedicated RGN and HCA. The service provided support to 120 patients (115 patients in the previous year) and their families in the reporting period to ended 31st March 2024. A 12-week programme of planned activity within a period of attendance is usually offered, and support and sign-posting to other services is undertaken in preparation for discharge or if referrals to the service do not match with our provision. We continue to work with other organisations for reciprocal referrals in and out of services e.g. County Durham Carers and Macmillan Cancer Support. Day centre services are augmented by a Complementary Therapy service offering a range of relaxation and wellbeing therapies. In the year ended 31st March 2024 this service provided in excess of 500 complimentary therapy sessions to in patients, day service patients and carers.

Trustees' Annual Report (continued)

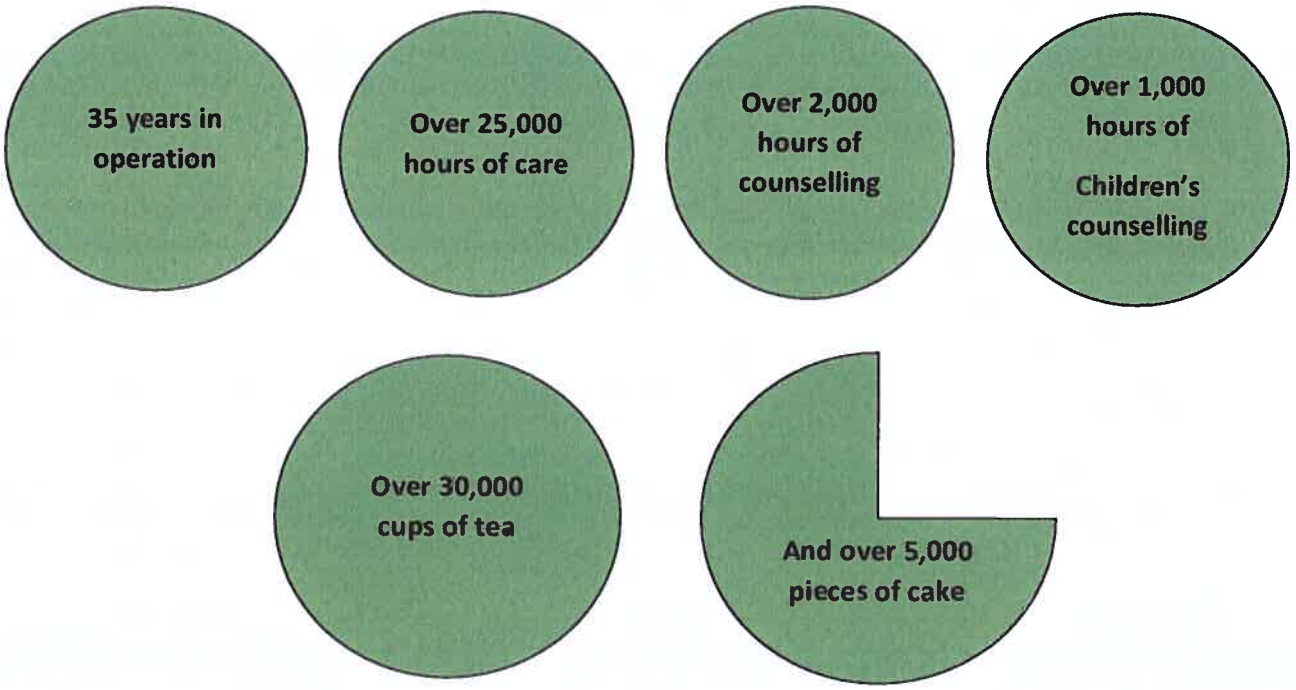
Family Services and Bereavement Support

Family Services and Bereavement support team worked with 173 patients (177 in the previous year) and their families throughout the year. They provide much needed support and counselling to adults and there is also a children's counselling service available.

The Hospice has a current Care Quality Commission rating of Good (last inspected 2016).

Our Hospice

Patient Care	End March 24	End March 23	End March 22
In patients	102	84	85
Day Service patients	120	115	51
Family Support patients	173	218	178



Annual Action Plan achievements

The Charity develops an annual, Action Plan around the three strategic priorities of Good Governance, Community Engagement and Talk about Death. Some achievements are -

Good Governance

- The charity was awarded the Macmillan Quality Environment Mark in March 2024. The mark looks at how the environment in which care is delivered impacts on patient experience, recognising the importance of patient choice and how patient dignity can be protected. Organisation are assessed against vigorous standards and, if successful, are awarded the mark.

- The charity grew its retail income (shops) by more than 11% and its Café income by more than 22%.
- Additional solar panels were fitted to the hospice to reduce our carbon footprint and our energy bills.
- Occupancy in our In-patient Unit rose to 95% against a key performance indicator of 85%

Community Engagement

- Extended our Children's Bereavement counselling service in response to increased demand
- Reviewed our Advance Care Plan guidance to support the general public to understand the need for forward thinking.

Talk about death

- Undertook initial research into attitudes around Assisted Dying.
- The AGM was addressed by a representative from charity, Dignity in Dying.

"Thank you to all the amazing staff and volunteers who make Willow Burn Hospice such a special place. Thank you so much for all the love, care, support and kindness shown to mam and the rest of the family over the last few weeks. You all helped us to make many more happy memories with our beautiful mam and grandma."

Trustees' Annual Report (continued)

Financial review

The Statement of Financial Activities (SoFA) shows that gross income increased from £1,437,551 to £1,614,220 and expenditure increased from £1,275,736 to £1,387,068. This resulted in a surplus of £227,152 (2023: £161,815) which has been allocated to restricted and unrestricted funds as shown in the SoFA.

The Trustees are satisfied with this position at the year-end and are keen to maintain the strength of overall reserves in the future.

Derwentside Hospice Care Foundation has continued to benefit from various grants during the year and the board of trustees gratefully acknowledge this support.

Work continues to improve how the income levels can be sustained and reviews of expenditure continue to be carried out to ensure the charity consistently achieves value for money. The Senior Management team are aware of the need to provide an efficient service that offers value for money to the community, without losing the emphasis on patient care and safety.

A strategic review of the charity is now completed with a strong strategic plan in place. The Board of Trustees and Senior Management Team will continue their efforts to provide a bright future for Derwentside Hospice Care Foundation, and a valued service for the people of Derwentside.

Policy on reserves

The calculation of free reserves is based on the definition included in the charity statement of recommended practice (SORP), which provides recommendations for accounting and reporting for charities. The Trustees have examined the requirements of the charity to hold free reserves - those reserves not invested in tangible fixed assets, excluding long term liabilities, or designated for a particular purpose. The Trustees considered it would be appropriate to hold the equivalent of six months operating costs. This equates to approximately £750,000.

At the year end, free reserves were £960,751 (2023: £772,617), an increase of £188,134 in the year.

Plans for future development

The charity plans to develop and invest in a number of new initiatives over the coming years. Chief among these are;-

- Plan to move to electronic medical record keeping – Data management is a key area for development in the sector.
- Improve facilities for patients – Installation of temperature control measures into all patient areas

- Day Service development – Day Hospice services provide vital support to patients and their families. The facility will aim to expand its range of services to enable more people to live well with their condition.
- Research – The charity continues to undertake research in partnership with Sunderland University, looking into aspects of Hospice care, including attitudes to Assisted Dying.
- Retail expansion – The charity continues to develop plans to open a furniture store with recycling capabilities. Further expansion through additional charity shops is also planned.
- Achieve 'Disability Confident' Level 2 status as an element of the charity's detailed Equality, Diversity & Inclusion plan.
- Develop our Compassionate Communities plan – Including the appointment of Compassionate Communities Ambassadors.

Going concern

The charity meets its day-to-day working capital requirements through cash generated from operations. 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 possible changes in trading performance.

Having considered the current cash forecasts of the Charity, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing these financial statements.

Objectives and policies

The Trustees have a formal risk management process to assess business risks and implement risk management strategies. This process involves identifying the types of risks the Charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the Trustees review the adequacy of the Charity's current internal controls and the costs of operating particular controls relative to the benefits obtained. Procedures have been established for reporting failings immediately to appropriate levels of management and to the Trustees.

The Trustees are satisfied that the systems and procedures in place are sufficient to adequately mitigate identified risks to an acceptable level in the Charity's day-to-day operations.

Risk environment

The charity has robust systems in place for review of the risk registers within the organisation. An annual report is made to Trustees on the risk environment, risk registers are discussed at monthly Senior Management Team meetings and all changes in risk status are reported to Trustees.

Trustees' Annual Report (continued)

Environmental, Sustainability and Governance (ESG) and Corporate responsibility

Like many responsible businesses, the Hospice continues to consider more deeply the impact it has on its environment and surroundings and how it might contribute to a more sustainable future. In recent years a number of changes have been implemented in line with the charity's Going Green Together Sustainability Statement and Plan.

Sustainability aspect	Details
Energy usage	Extensive solar panels fitted to in patient unit. All light fittings are replaced with LED bulbs. We have reduced our energy consumption year on year.
Travel	E-charging station fitted to hospice car park. Meetings are held on-line where there isn't a specific need to meet in person.
Water usage	Water reduction valves are fitted to our showers. We store and re-use rainwater on site for our gardens.
Food miles	The Café seeks to use in-season food sourced from local producers where possible.
Local environment	Look to create empathetic environments within our own gardens.

Utility usage			
Performance aspect (Units)	**Year to end March 24**	**Year to end March 23**	**Year to end March 22**
Electricity (kWh)	63,678	73,547	120,353
Gas (Therms)	168,402	150,711	155/735
Water (m3)	1000 (Est)	600(Est)	623

The charity has many opportunities for volunteers in shops, cafe, administration, gardening and at Trustee level. These opportunities enable people to contribute to the hospice, to the wider society and gain many positive personal elements in return.

Volunteers Contribution			
	Year to end March 24	**Year to end March 23**	**Year to end March 22**
Estimated hours	21,745	21,778	17,700
Indicative contribution	£252,912	£232,000	£183,000

We also recognise our duty to support other organisations by paying our suppliers promptly.

Trustees' Annual Report (continued)

Financial instruments

The Hospice engaged an investment manager, CCLA, to manage a proportion of its free cash reserves. The threat of inflation eroding cash worth and low interest rates provided by conventional bank accounts meant that there was a risk of Reserves being depleted in value over time.

Taking into account cash forecasts and expectations, a prudent proportion of cash funds were handed over to CCLA to be managed in their COIF Ethical Investment Fund. It is intended that this will be a long-term arrangement, to provide the best opportunity for good returns, but this will be monitored regularly to ensure that the Fund Managers are performing adequately and adding to the continuing financial strength of the Hospice.

Other than (indirectly) within the CCLA Fund, the Hospice does not invest in any financial instruments.

Appointment of auditor

CLA Evelyn Partners Limited (formerly Haines Watts North East Audit LLP) were appointed auditors for the production of annual accounts from year ending 31 March 2023 and it is envisaged, subject to annual Trustee approval at AGM, that this will be a three year arrangement to be reviewed in 2025. A resolution to appoint CLA Evelyn Partners Limited will be proposed at the AGM.

Statement of Trustees' Responsibilities

The Trustees (who are also the directors of Derwentside Hospice Care Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally-Accepted Accounting Practice) and applicable laws 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:

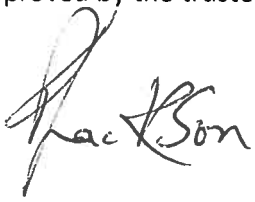
- select suitable accounting policies and apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statement; 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditor

Each trustee has taken steps that they ought to have taken as a trustee 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.

Approved by the trustees of the charity on 6th November 2024 and signed on their behalf by:



P Jackson – Chair & Trustee

Independent Auditor's Report to the members of Derwentside Hospice Care Foundation

Opinion

We have audited the financial statements of Derwentside Hospice Care Foundation Limited (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 March 2024, 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and,

Independent Auditor's Report to the members of Derwentside Hospice Care Foundation (cont.)

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the strategic report and the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

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.

Independent Auditor's Report to the members of Derwentside Hospice Care Foundation (cont.)

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company 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.

We obtained an understanding of the legal and regulatory framework applicable to both the charitable company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the trustees and other management. The most significant were identified as the Charities Act 2011, the Companies Act 2006, UK GAAP (FRS 102), the Care Quality Commission and Health and Safety legislation. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making inquiries of trustees and management as to whether they consider there to be any known or suspected instances of fraud, or non-compliance with laws and regulations.
- Reviewing the minutes of meetings of those charged with governance.
- Assessing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

A further description of our responsibilities is available on the FRC's website at: https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for This description forms part of our auditor's report.

Independent Auditor's Report to the members of Derwentside Hospice Care Foundation (cont.)

Use of our report

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

Craig Henderson (Senior Statutory Auditor)
For and on behalf of CLA Evelyn Partners Limited
17 Queens Lane
Newcastle upon Tyne
NE1 1RN
7th November 2024

Derwentside Hospice Care Foundation

Statement of Financial Activities for year-ended 31 March 2024

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

	Note	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Income and Endowments:					
Donations and legacies	3	353,481	78,684	**432,165**	**411,166**
Charitable Activities	4	604,032	-	**604,032**	**569,102**
Other trading activities	5	481,355	-	**481,355**	**431,166**
Unrealised gains on Investment	6	96,668		**96,668**	**26,117**
Total Income		**1,535,536**	**78,684**	**1,614,220**	**1,437,551**
Expenditure:					
Raising funds	7	(341,337)	-	**(341,337)**	**(279,850)**
Charitable activities	8	(983,618)	(62,113)	**(1,045,731)**	**(995,886)**
Total Expenditure		**(1,324,955)**	**(62,113)**	**(1,387,068)**	**(1,275,736)**
Net Income		**210,581**	**16,571**	**227,152**	**161,815**
Transfer between funds		20,000	(20,000)	-	-
		230,581	**(3,429)**	**227,152**	**161,815**
Reconciliation of funds					
Total funds brought forward		2,769,175	1,503,429	**4,272,604**	**4,110,789**
Total funds carried forward	22	**2,999,756**	**1,500,000**	**4,499,756**	**4,272,604**

All the Charity's activities derive from continuing operations during the above two periods and include all recognised gains and losses.

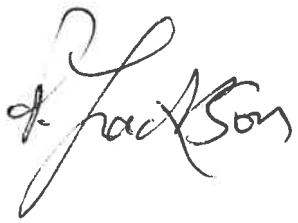
Comparative period	Note	Unrestricted funds £	Restricted funds £	Total 2023 £
Income and Endowments:				
Donations and legacies	3	368,791	42,375	**411,166**
Charitable Activities	4	569,102	-	**569,102**
Other trading activities	5	431,166	-	**431,166**
Investment income	6	26,117		**26,117**
Total Income		**1,395,176**	**42,375**	**1,437,551**
Expenditure:				
Raising funds	6	(279,850)	-	**(279,850)**
Charitable activities	7	(938,490)	(57,396)	**(995,886)**
Total Expenditure		**(1,218,340)**	**(57,396)**	**(1,275,736)**
Net Income		176,836	(15,021)	**161,815**
Transfer between funds		0	(0)	-
		176,836	**(15,021)**	**161,815**
Reconciliation of funds				
Total funds brought forward		2,592,339	1,518,450	**4,110,789**
Total funds carried forward	22	**2,769,175**	**1,503,429**	**4,272,604**

Derwentside Hospice Care Foundation

Balance Sheet for the year-ended 31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	13	3,189,787	3,196,557
Investments in subsidiaries	14	1	1
Investments	15	822,785	626,117
		4,012,573	3,822,675
Current assets			
Debtors	16	101,033	194,752
Cash at bank and in hand		460,955	307,366
		561,988	502,118
Creditors: Amounts falling due within one year	17	(74,805)	(52,189)
Net current assets		487,183	449,929
Net assets		4,499,756	4,272,604
Funds of the charity:			
Restricted funds		1,500,000	1,503,429
Unrestricted Funds		2,650,538	2,469,175
Designated Funds		349,218	300,000
Total funds	22	4,499,756	4,272,604

The financial statements on pages 21 to 39 were approved by the trustees, and authorised for issue on 6 November 2024, and signed on their behalf by



P Jackson – Chair & Trustee

Derwentside Hospice Care Foundation

Statement of Cash Flows for the year-ended 31 March 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash income		227,152	161,815
Adjustments to cash flows from non-cash items			
Depreciation	**13**	88,853	108,077
Loss on disposal of fixed assets	**13**	140	-
Change in fair value of investments	**6**	(96,668)	(26,117)
		219,477	243,775
Working capital adjustments			
(Increase)/decrease in inventory		-	-
(Increase)/decrease in debtors	**16**	93,719	(59,695)
(Decrease) in creditors	**17**	20,126	(3,047)
Increase/(decrease) in deferred income	**17**	2,490	332
Net cash flows from operating activities		335,812	181,365
Cash flows from investing activities			
Purchase of tangible fixed assets	**13**	(82,223)	(21,956)
Purchase of investments	**6**	(100,000)	(600,000)
Net cash flows from investing activities		(182,223)	(621,956)
Cash flows from financing activities			
Interest payable and similar charges		-	-
Net increase in cash and cash equivalents		153,589	(440,591)
Opening cash and cash equivalents at 1 April		307,366	747,957
Cash and cash equivalents at 31 March	**23**	460,955	307,366

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

Notes to the Financial Statements for the year-ended 31 March 2024

1. Charity Status

The Charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the Trustees is liable to contribute an amount not exceeding £10 towards the assets of the Charity in the event of liquidation.

The address of its registered office is Willow Burn Hospice, Howden Bank, Lanchester, Durham, DH7 0QS

2. Accounting Policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation
Derwentside Hospice Care Foundation 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 presentation currency of the charitable company is Sterling.

Going concern
The Charity meets its day-to-day working capital requirements through cash generated from operations. 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 possible changes in their performance.
Having considered the current cash forecasts of the Charity the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing these financial statements. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

Notes to the Financial Statements for the year-ended 31 March 2024 (continued)

2. Accounting policies (continued)

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 judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Assessing indicators of impairment - In assessing whether there have been any indicators of impairment of assets, the trustees have considered both external and internal sources of information such as market conditions and experience of recoverability. Whilst the property remains in the financial statements at its written down historic cost (some £3.17m) the trustees recognise that this is on the basis of justifying its value in use, which is likely to exceed the net recoverable value in the event that the Charity was not a going concern and needed to sell the property.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are as follows:

Depreciation is projected to write off the cost of an asset, less its residual value, over its estimated useful economic life. Rates used to project useful economic life are detailed in the depreciation accounting policy.

Income and endowments

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received, and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the Charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the Charity before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case-by-case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the Charity.

Grants receivable

Grants are recognised when the Charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Notes to the Financial Statements for the year-ended 31 March 2024 (continued)

2. Accounting policies (continued)

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- the donor specifies that the grant or donation must only be used in future accounting periods; or
- the donor has imposed performance conditions which must be met before the Charity has unconditional entitlement.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Charity's activities. These costs, which have not been directly apportioned, have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in the relevant note to the financial statements.

Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially 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.

Tangible fixed assets

Individual fixed assets costing £500 or more are initially recorded at cost.

Notes to the Financial Statements for the year-ended 31 March 2024 (continued)

2. Accounting policies (continued)

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

Asset class	Depreciation method and rate
Freehold land & buildings	2% straight line
Plant & machinery	10% straight line
Computer equipment	50% straight line
Fixtures, fittings and equipment (non-medical)	20% straight line
Fixtures, fittings and equipment (medical)	33% straight line

A full year's depreciation is charged in the year an asset is purchased.

Trade debtors
Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors
Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure
Unrestricted income funds are general funds that are available for use at the Trustees' discretion in furtherance of the objectives of the Charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the Trustees. Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post-retirement obligations
All eligible employees are automatically enrolled into a workplace pension scheme provided by Derwentside Hospice Care Foundation. Some clinical staff are members of the NHS pension scheme. Contributions are charged to the income and expenditure account as they become payable.

Notes to the Financial Statements for the year-ended 31 March 2024 (continued)

2. **Accounting policies (continued)**

Investments
Investments in subsidiaries and associates are measured at cost less impairment.

3. Income from donations and legacies

	Unrestricted funds General	Restricted funds	Total 2024	Total 2023
	£	£	£	£
Donations	133,021	-	**133,021**	**56,152**
Legacies	120,387	-	**120,387**	**239,396**
Gift Aid reclaimed	36,007	-	**36,007**	**19,132**
Grants	51,500	78,684	**130,184**	**59,919**
Regular giving and capital donations	12,566	-	**12,566**	**12,711**
Kickstart Scheme	-	-	**-**	**23,856**
	353,481	78,684	**432,165**	**411,166**

4. Income from charitable activities

	Total 2024	Total 2023
	£	£
NHS contract	**580,438**	**562,793**
Additional hospice income	**23,594**	**6,309**
	604,032	**569,102**

5. Income from other trading activities

	Total 2024	Total 2023
	£	£
Shop income from sale of donated goods and services	**248,244**	**222,937**
Other events income	**131,396**	**123,846**
Café and merchandise income	**94,265**	**77,084**
Other income	**7,450**	**7,299**
	481,355	**431,166**

Notes to the Financial Statements for the year-ended 31 March 2024 (continued)

6. Unrealised gains on investments

	Total 2024	Total 2023
	£	£
Unrealised gains on investments	**96,668**	**26,117**

A Charities Ethical Investment Fund portfolio account was opened with CCLA on 19th May 2022 with £600,000 being deposited into the investment portfolio. An additional amount of £100,000 was also deposited into the portfolio on 27th October 2023. The movement on the initial investment from the date of deposit to the balance at the year-end is shown above.

7. Expenditure on raising funds

	Total 2024	Total 2023
	£	£
Staff costs	**194,210**	**175,747**
Other costs	**147,127**	**104,103**
	341,337	**279,850**

8. Expenditure on charitable activities

	Unrestricted funds	Restricted funds	Total 2024	Total 2023
	£	£	£	£
Charitable activity costs	226,834	-	**226,834**	**261,233**
Staff costs	540,140	62,113	**602,253**	**553,969**
Loss on disposal of fixed asset	-	-	-	-
Support costs	216,644	-	**216,644**	**180,684**
	983,618	62,113	**1,045,731**	**995,886**

Notes to the Financial Statements for the year-ended 31 March 2024 (continued)

Analysis of support costs

Derwentside Hospice Care Foundation allocates costs direct to activities as far as possible, then identifies the remaining costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the key charitable activities undertaken in the year. Refer to the table below for the apportionment and analysis of support and governance costs.

Support costs allocated to charitable activities

	Governance costs	Other support costs	Total	Total
			2024	2023
	£	£	£	£
Staff costs	-	141,749	**141,179**	**135,426**
Insurance	-	24,710	**24,710**	**22,376**
IT costs	-	29,475	**29,475**	**24,970**
Professional costs	-	12,210	**12,210**	**9,812**
Audit fee	8,500	-	**8,500**	**8,200**
	8,500	208,144	**216,644**	**200,784**

9. Taxation

The charity is a registered charity and is therefore exempt from corporate taxation.

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 from the charity during the year

Notes to the Financial Statements for the year-ended 31 March 2024 (continued)

11. Staff costs

The aggregate payroll costs were as follows:

	Total 2024	Total 2023
Staff costs during the year were	**£**	**£**
Wages and salaries	**866,844**	**786,514**
Social security costs	**58,898**	**54,738**
Pension costs	**12,475**	**12,353**
	938,217	**853,605**

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

	Total 2024	Total 2023
Management	**5**	**4**
Other staff	**45**	**45**
	50	**49**

The average number of full-time equivalent employees included above is 16 (2023: 16). Derwentside Hospice Care Foundation adopts a flexible working policy which enables employees to request changes to their contracted hours to facilitate their physical and mental well-being to maintain a good work/life balance.

No employee received emoluments of more than £60,000 during the year (2023 – None).

The total employee benefits of the key management personnel of the charity were £208,315 (2023 - £155,152).

12. Auditor's remuneration

	2024	2023
	£	**£**
Audit fee	**8,500**	**8,200**

Notes to the Financial Statements for the year-ended 31 March 2024 (continued)

13. Tangible fixed assets

	Land and buildings	Furniture and equipment	Total
	£	£	£
Cost			
At 1 April 2023	3,591,014	545,631	4,136,645
Additions	3,000	79,223	82,223
Disposals	-	(700)	(700)
At 31 March 2024	**3,594,014**	**624,154**	**4,218,168**
Depreciation			
At 1 April 2023	424,630	515,458	940,088
Charge for year	62,740	26,113	88,853
Disposals	-	(560)	(560)
At 31 March 2024	**487,370**	**541,011**	**1,028,381**
Net book value			
At 31 March 2024	**3,106,644**	**83,143**	**3,189,787**
At 31 March 2023	3,166,384	30,173	3,196,557

There is a time-bound, legal charge over all buildings, fixtures and fittings and fixed plant and machinery that are situated on or form part of the freehold land and buildings at Howden Bank, Lanchester, Durham which is registered at the Land Registry under Title Number DU328389 and each and every part thereof subject to the encumbrances referred to in the registered title at any time; the proceeds of the sale of any part of the Property and any other monies paid or payable in respect of or in connection with the Property, the benefit of any covenants for title given, or entered into, by any predecessor in title of the Recipient in respect of the Property, and any monies paid or payable in respect of those covenants; and all rights under any licence, agreement for sale or agreement for lease in respect of the Property (see Note 20).

Notes to the Financial Statements for the year-ended 31 March 2024 (continued)

14. Investment in subsidiary

	2024	2023
	£	£
Other investments	1	1

	Hazelbrook Specialist Care	Total
	£	£
Cost		
At 1 April 2023	1	1
At 31 March 2024	1	1
Net book value		
At 31 March 2024	1	1
At 31 March 2023	1	1

Hazelbrook Specialist Care at Home Ltd (HSCH) is a wholly owned subsidiary trading company of Derwentside Hospice Care Foundation (100% ordinary shares). Hazelbrook Specialist Care at Home Ltd is a dormant entity and as such, consolidated accounts have not been prepared in 2024.

15. Investments

	2024	2023
	£	£
As at 1 April 2023	626,117	-
Additions	100,000	600,000
Change in Market Value	96,668	26,117
As at 31 March 2024	822,785	626,117

16. Debtors

	2024	2023
	£	£
Trade debtors	7,884	9,464
Prepayments	37,931	31,839
Accrued income	48,203	147,400
VAT recoverable	7,015	6,049
	101,033	194,752

Included in accrued income are legacy donations of £15,000 (2023: £115,000) notified to us prior to the year end and received in May 2024.

Notes to the Financial Statements for the year-ended 31 March 2024 (continued)

17. Creditors

	2024	2023
	£	£
Trade creditors	**10,962**	**9,961**
Other taxation and social security	**18,027**	**14,209**
Other creditors	**5,694**	**5,131**
Accruals	**36,167**	**21,423**
Deferred income	**3,955**	**1,465**
	74,805	**52,189**
Deferred income at 1 April 2023	**1,465**	**1,133**
Resources deferred in the period	**3,955**	**1,465**
Amounts released from previous periods	**(1,465)**	**(1,133)**
Deferred income at year end	**3,955**	**1,465**

Other creditors include £497 (2023: £497) of inter-company loan, owing to Hazelbrook Specialist Care at Home Limited. This company is currently dormant, and there are no interest or repayment conditions attached to this sum.

18. Obligations under lease and hire purchase contracts

Operating lease commitments

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

	Land & buildings	Other	2024	2023
	£	£	£	£
Within one year	39,292	2,012	**41,304**	**43,026**
Between one and five years	108,041	4,514	**112,555**	**121,533**
Over five years	55,042	-	**55,042**	**81,542**
	202,375	6,526	**208,901**	**246,101**

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 £12,475 (2023 - £12,353).

Contributions included in creditors totalling £5,195 (2023: £4,635) were payable at the end of the period.

20. Contingent liabilities

Included as a restricted reserve is a grant received in 2019 of £1,500,000 from Michael McArdle. Until May 2039 the charity has agreed to meet the conditions of the contract for receiving the grant. Should any of the conditions be breached, then the grant would be repayable. The repayment terms stipulate that this would be a full repayment of the grant in years one to eleven (subject to any decrease in the overall fair value of the Helen McArdle Wing, if lower), with the repayment then reducing by 10% each subsequent year up to year twenty of the agreement.

Notes to the Financial Statements for the year-ended 31 March 2024 (continued)

21. Analysis of net assets between funds

	Unrestricted funds General	Designated	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	1,689,787	-	1,500,000	**3,189,787**
Fixed asset investments	1	-	-	**1**
Investment	822,785	-	-	**822,785**
Net current assets	137,965	349,218	-	**487,183**
Total net assets	**2,650,538**	**349,218**	**1,500,000**	**4,499,756**

Tangible fixed assets shown between unrestricted and restricted funds are subject to a legal charge as detailed in the fixed asset note and note 22. Further details of the split between funds are given in the contingent liabilities note.

The trustees only consider the fixed assets to be restricted due to the legal charge in place and have therefore capped the value allocated as restricted at the original grant value awarded of £1.5 million.

Comparative analysis	Unrestricted funds General	Designated	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	1,696,557	-	1,500,000	**3,196,557**
Fixed asset investments	1	-	-	**1**
Investment	626,117	-	-	**626,117**
Net current assets	146,500	300,000	3,429	**449,929**
Total net assets	**2,472,604**	**300,000**	**1,503,429**	**4,272,604**

Notes to the Financial Statements for the year-ended 31 March 2024 (continued)

22. Funds

	Balance at 1 April 2023	Incoming resources	Resources expended	Transfers	Balance at 31 March 2024
	£	£	£	£	£
Unrestricted funds					
General fund	2,469,175	1,535,536	(1,254,173)	(100,000)	2,650,538
Designated funds					
Contingent Liabilities	205,000	-	-	-	205,000
Development Fund	95,000		(70,782)	120,000	144,218
Total unrestricted funds	2,769,175	1,535,536	(1,324,955)	20,000	2,999,756
Restricted funds					
NHS (NENC) & ICB	3,429	-	(3,429)	-	-
Hospice UK (re Carers)	-	7,084	(7,084)	-	-
Hospice UK Solar Panels	-	20,000	-	(20,000)	-
Julia & Hans Rausing Trust	-	50,000	(50,000)	-	-
Co Durham Community Fund	-	1,600	(1,600)	-	-
Michael McArdle	1,500,000	-	-	-	**1,500,000**
Total restricted funds	**1,503,429**	78,684	(62,113)	(20,000)	**1,500,000**
Total funds	**4,272,604**	1,614,220	(1,387,068)	-	**4,499,756**

Transfers

Two transfers of funds have taken place during the year. The first transfer is to transfer an amount from general unrestricted into designated. This transfer was to bring the total Development Fund up to the amount the Trustees currently believe is required to undertake the required developments to the hospice in the short term. The other transfer relates to a transfer out of the Hospice UK Solar Panels fund, with the balance being transferred to general unrestricted funds on the purchase of the solar panels, at which point the restriction on these funds was lifted.

Designated Funds

The contingent liability represents funds to cover adverse trading conditions and increases in the cost of living.

The development fund is monies set aside as agreed by the board with the intention of being spent on future plans for the hospice including service development, green initiatives to make the hospice even more eco-friendly and essential works to maintain the building.

Notes to the Financial Statements for the year-ended 31 March 2024 (continued)

Restricted Funds

NHS (NE&NC) & ICB
These funds were received in March 2023 and will be used to deliver personalised wellbeing support for young people through bereavement counselling.

Hospice UK (re Carers Support)
This grant was used to cover the salary costs of our RGN, HCA and Complimentary therapist for one day a week, providing services for the carers of our Day-patients under their 'Supporting Carers in County Durham' scheme.

Hospice UK with Rank Foundation (re Solar Panels)
This grant was used to contribute to the cost of supplying and installing Solar panels with battery storage to enable the hospice to reduce the expenditure on electricity costs, whilst also reducing the carbon footprint of the charity.

Julia & Hans Rausing Trust
Julia & Hans Rausing Trust have awarded us £50,0000 during 2023/24 towards the rising costs due to surging energy prices and the increases to the National Living Wage costs.

Co Durham Community Fund
Contribution towards a day running costs of our Hospice In Patient Unit.

Michael McArdle

A donation was made in 2019 of £1,450,000 (following an earlier instalment of £50,000) to fund the building of the McArdle Wing. The asset valuation is reduced annually by the depreciation charge incurred on the works and currently stands at £1,349,457 (total cost £1,533,474). Following signature of grant agreements, the donation clawback remains restricted (up to a value of £1,500,000; see Note 20) for a total period of 20 years through to 31 May 2039 when the restriction ends, after which time the remaining asset will be de-restricted and transferred to unrestricted reserves.

Notes to the Financial Statements for the year-ended 31 March 2024 (continued)

Comparative analysis

	Balance at 1 April 2022	Incoming resources	Resources expended	Transfers	Balance at 31 March 2023
	£	£	£	£	£
Unrestricted funds					
General					
General fund	**2,387,339**	1,395,176	(1,218,340)	(95,000)	**2,469,175**
Contingent Liabilities	**205,000**	-	-	-	**205,000**
Development Fund	-	-	-	95,000	**95,000**
Total unrestricted funds	**2,592,339**	1,395,176	(1,218,340)	-	**2,769,175**
Restricted funds					
Hospice at Home	**2,135**	-	(2,135)	-	-
Derwent Valley AAP	**2,687**	-	(2,687)	-	-
Other Grants less than £10,000 (b/f from 2022)	**13,628**	-	(13,628)	-	-
Kickstart Scheme	-	23,856	(23,856)	-	-
St James Place	-	2,500	(2,500)	-	-
Mid Durham AAP	-	500	(500)	-	-
Co-Op Community Fund		4,490	(4,490)	-	-
Grace Trust		1,000	(1,000)	-	-
Hospice Uk (re Carers Support)		6,600	(6,600)	-	-
NHS (NE&NC) & ICB		3429	-	-	**3,429**
Michael McArdle	**1,500,000**	-	-	-	**1,500,000**
Total restricted funds	**1,518,450**	42,375	(57,396)	-	**1,503,429**
Total funds	**4,110,789**	1,437,551	(1,275,736)	-	**4,272,604**

Notes to the Financial Statements for the year-ended 31 March 2024 (continued)

23. Analysis of movement in net funds

	At 1 April 2023	Cash flow	At 31 March 2024
	£	£	£
Cash at bank and in hand	307,366	153,589	**460,955**
Net funds	307,366	153,589	**460,955**

Comparative analysis	At 1 April 2022	Cash flow	At 31 March 2023
	£	£	£
Cash at bank and in hand	747,957	(440,591)	**307,366**
Net funds	747,957	(440,591)	**307,366**

24. Related party transactions

There is nothing to report in respect of related party transactions.

DERWENTSIDE HOSPICE CARE FOUNDATION

England & Wales - Charity number 519659

Accounts

Company registration number: 02263960

Charity registration number: 519659

DERWENTSIDE HOSPICE CARE FOUNDATION

(A company limited by guarantee)

Annual Report & Financial Statements

for the Year ending 31 March 2023

Derwentside Hospice Care Foundation

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Derwentside Hospice Care Foundation

Reference and Administrative Details

Company Registration Number	02263960
Charity Registration Number	519659
Solicitors	Ward Hadaway 102 Quayside Newcastle upon Tyne Tyne & Wear NE1 3DX
Bankers	Lloyds Bank 1 Victoria Road Consett Durham DH8 5AE CAF Bank Limited Head Office Kings Hill West Malling Kent ME19 4TA
Investment Managers	CCLA Investment Management Limited One Angel Lane London EC4R 3AB
Auditor	Haines Watts North East Audit LLP 17 Queens Lane Newcastle upon Tyne NE1 1RN

Derwentside Hospice Care Foundation

Reference and Administrative Details

Trustees	P Jackson (Chair) A Allon R Bennett S E Brent I A Burke Dr C T Kelly M H McArdle P Pollard L Telford
Key Management Personnel	D E Barker – Director of Operations C Hagri – Head of Clinical C P Hewitt – Head of Finance (Left April 2023) R Todd – Head of Marketing & Fundraising A L Watson – Head of Finance (Appointed April 2023)
Principal Office	Willow Burn Hospice Howden Bank Lanchester Durham DH7 0QS

The charity is incorporated in England and Wales.

Derwentside Hospice Care Foundation

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.

Report from the Chair of the Board

The year to end March 2023 was a successful year for the charity with both services and fundraising developing under a strong governance and leadership team.

The hospice in patient unit was as busy as ever, providing high quality care and support to people at the end of life, and their families.

Our Day Services proved as popular as ever and we expanded our range of services to include further support sessions for carers. The growth in demand for Bereavement Support continued and we increased the capacity of our, much needed, Childrens Bereavement Counselling Service. Our Complementary Therapy offer was also extended.

Highlights of our Community Engagement work came through our most successful Charity Ball ever, the annual Light Up A Life Service at All Saint's Church, Lanchester and a fantastic performance of our fundraisers through events like the Great North Run. The Willows Café continues to be both a vital fundraiser for the charity and an energetic community hub.

The charity embedded its revised Governance Structure (through a Board of Trustees and three Sub Committees – Compliance & Governance, Marketing & Fundraising and Finance & General Purposes). We were delighted to welcome two new Trustees to the Board, Andrew Allon and Philip Pollard have both proved their worth in augmenting our already strong Trustee set.

This year has been a year of policy development in terms of our environmental Sustainability policy and plan. This agenda is important to the charity and will lead to further development in the years to come.

The charity relies on a small team of highly dedicated staff delivering high quality care and support, across the wide remit of our activities. The staff are supported, brilliantly, by a team of committed volunteers. Whether in the gardens, the shops, the cafe, reception and administration or day service our volunteer's work is highly regarded by all.

Financially, the charity was proud to support our staff through the cost of living crisis with a one-off payment to all staff at Christmas, this was achieved whilst also being aware of the need to ensure long term financial sustainability.

I am pleased to commend this Annual Report and Accounts.

Paul Jackson

Chair of the Board of Trustees

Trustees' Report

Structure, governance and management

Nature of governing document

The organisation is a charitable company limited by guarantee, incorporated on 2 June 1988.

The charitable company was established under a Memorandum of Association that established the objects and powers of the organisation and is governed under its Articles of Association passed by special resolution in January 2013, and last updated on 19 May 2022. In the event of the charitable company being wound up, members are required to contribute an amount not exceeding £10.

Organisational structure

The charity is governed by its board of trustees who are also the appointed directors of the company. The number of trustees at present is nine. The Trustees who served during the year, and were in office up to the signing of this report were;-

P Jackson (Chair)
R Bennett
S E Brent
I A Burke
Dr C T Kelly
M H McArdle
L Telford
A Allon (appointed 8 November 2022)
P Pollard (appointed 8 November 2022)
A Britton (resigned 11 May 2022)

Recruitment and appointment of trustees

Trustees can be elected or co-opted during the year and their appointment is confirmed at the Annual General Meeting (AGM). At each AGM one third of the Trustees must retire from office. The Trustees to retire by rotation are those who have been longest in office since their last appointment.

The Trustees aim to maintain a balanced skills and knowledge base amongst the Board members by identifying skills shortages when an opening exists for a new member. Representation relevant to the service user group is a key factor given the charity's mission.

The Trustees are required to meet at least four times per year. At these meetings members receive detailed management accounts (including cashflow projections and reforecasts) as well as reports on operational activities each month. The Board also receive regular presentations and reports on any major developments or proposals. They participate in the strategic planning process and have ultimate responsibility for approval of the strategic plan.

Induction and training of trustees

New trustees are provided with a proper induction process and pack which details everything they need to know about the charity as well as their responsibilities as a trustee. Briefing papers and familiarisation training are effected for all trustees, as deemed necessary.

Sub-Committees

The Board of Trustees is supported by the following 3 sub-committees:

- Finance & General purposes Sub-Committee which comprises of at least two trustees who are independent of the management team and who are free from any relationship that in the opinion of the board would interfere with the exercise of independent judgement as members of the group. The responsibility of the group is to provide an effective review process of both current and future financial performance. The group is currently meeting four times a year, with monthly performance reporting continuing between meetings. The Head of Finance supports this sub-committee. The focus of the group is to continue to strengthen the charity day-to-day, and develop the long-term future of the organisation, while ensuring fruitful and prudent utilisation of its resources.

- Marketing & Fundraising Sub-Committee which comprises of at least two trustees who are independent of the management team and who are free from any relationship that in the opinion of the board would interfere with the exercise of independent judgement as members of the group. The group is currently meeting four times a year. The Head of Marketing & Fundraising supports this sub-committee. The responsibility of the group is to provide an effective challenge and support in terms of business development, fundraising and marketing of the charity, in line with the wider strategic aims of the hospice.

- Quality & Compliance Sub-Committee which comprises of at least two trustees who are independent of the management team and who are free from any relationship that in the opinion of the board would interfere with the exercise of independent judgement as members of the group. There is also a member of the sub-committee who is not a trustee to provide independent assurance and challenge to the group. The group is currently meeting four times a year. The Head of Clinical Services supports this sub-committee. The responsibility of the group is to provide an effective audit mechanism of current and future clinical activity and the development of future strategy.

Day-to-day management

The Director of Operations is responsible for the day-to-day management of the charity's affairs and for implementing the strategy as agreed by the Board. This is done within the boundaries of the budget and various policies and procedures also agreed by the Board. The Director of Operations appraises the Chair of any significant issues that may arise between formal meetings. The Director of Operations is supported by a senior management team that currently consists of the Head of Clinical Services, Head of Marketing & Fundraising, Head of Finance and Officer Manager. The management team (including the Director of Operations) hold regular meetings as needed, to address all relevant operational issues.

Key Management Personnel

The Board, who give their time freely and received no remuneration in the year, have considered who the Key Management Personnel (KMP) of the charity are, as noted in the Reference and Administration section. Together with the Board, these KMP are those in charge of directing and controlling, running and operating the activities of the charity on a day-to-day basis. The pay of the KMP is reviewed annually. The Trustees benchmark against pay levels of other charities and similar organisations within the sector and the region. Pay levels are set using this information together with the budget and forecast information, ensuring that the Charity can afford any proposed increases. The Board then agree any uplift to remuneration. Details of the KMP can be found on page 2.

Objectives and activities

Objects and aims

Derwentside Hospice Care Foundation's objects are to promote the relief of sickness by -

- Providing appropriate care to people in the life limiting phase of their illness and to support the whole family during this time and in bereavement.

- Establishing, maintaining and conducting hospitals, residential nursing homes and clinics for the reception and care of persons suffering from any illness, disability, disease or other infirmity whether physical or mental and providing medical or other treatment and attention for any such persons either in their own home or at any institution of the charity.

- Promoting or assisting in the teaching or training of doctors, nurses, physiotherapists and other persons engaged in any branch of medicine, surgery, nursing or allied services, and in the teaching or training of students in any branch of medicine, surgery, nursing or allied services.

- Conducting or promoting research into palliative care and treatment of persons suffering from any such illness, disability, disease or infirmity as aforesaid and particularly into the care and treatment of persons suffering from cancer or terminal illness and to disseminate the useful results thereof to the public.

- Providing such medical supplies, equipment and apparatus, drugs, amenities, comforts and other things conducive to the material or spiritual welfare of any person resident or working in any institution of the charity or any person being treated or attending in their own houses that the charity may think fit.

- Arranging lectures and conducting training courses and publishing pamphlets, books, journals and other publications relating to the working of the charity.

Fundraising disclosures

The charity's Head of Marketing & Fundraising continues to be a member of the Institute of Fundraising and the charity follows best practice and regulations in all its fundraising activity. No complaints relating to fundraising activities have been received within the reporting period. The charity is registered with The Fundraising Regulator.

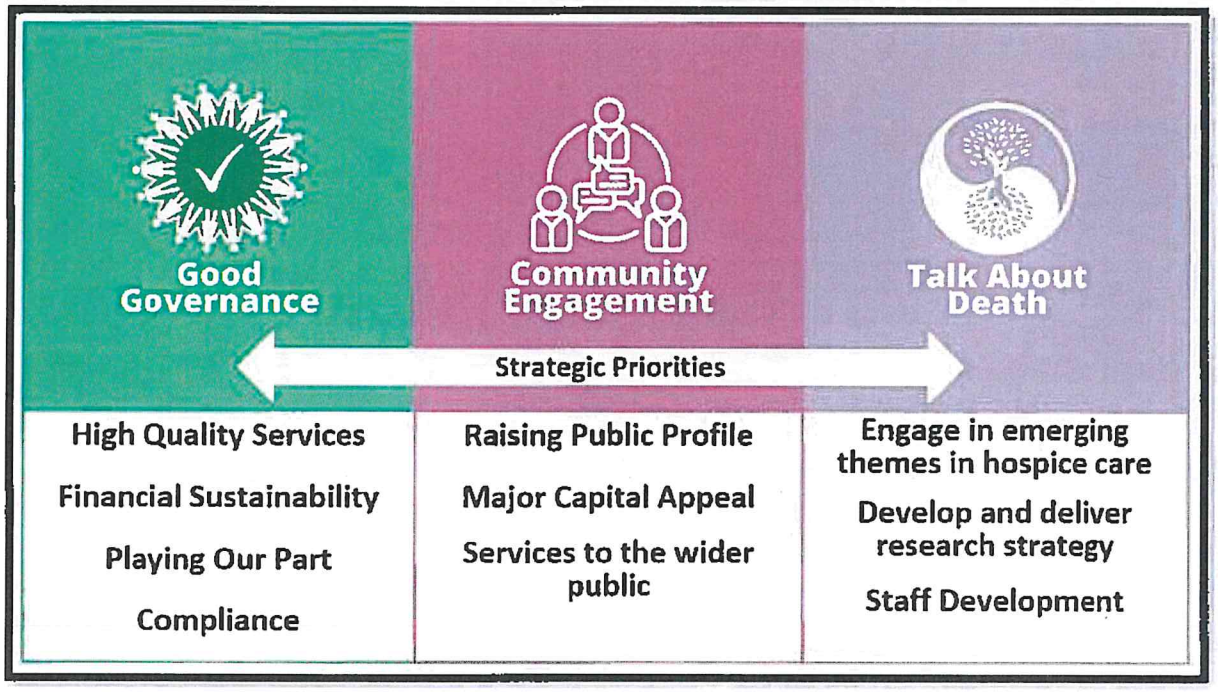
Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

The Mission, Vison & Values of the charity

Mission	To deliver hospice care of the highest standard to our patients and those important to them – now and in the future.
Vision	Treasuring lives through high quality, personalised, palliative & end of life care and bereavement support.
Values	**Caring:** We put care, compassion and dignity at the heart of everything we do. **Aspiring:** We are passionate about delivering high quality, personalised services. **Responsible:** We are a responsible organisation that people can trust. **Empowering:** We support and enable people to make the choices that matter to them.

Strategic priorities



The charity's Strategic Priorities are approved annually by the Board of Trustees and a detailed delivery plan is developed in order to ensure progress is made towards achieving the strategic aims.

Trustees' Report

Achievements and performance in Clinical Services

Willow Burn Hospice has in-patient capacity of six beds in the Helen McArdle Wing. Four of these are currently commissioned by the North East and North Cumbria Integrated Care Board to provide end-of-life care, symptom management and crisis intervention respite support. Spot Purchase requests for the additional beds are made for individual need for end-of-life patients. A further contract has been agreed with Continuing Health Care (CHC) for patients who may require longer term funding in a hospice bed where they are assessed either as not suitable for a nursing home placement or have a unique set of circumstances and 'fit' with the philosophy of hospice care.

Admissions are arranged through professional referrals, and assessed and considered on a priority need basis. All patients and families have access to our family support team to meet their psychological and emotional needs as part of a holistic package of care. The in-patient unit is staffed continuously by one Registered Nurse (RGN) and one Healthcare Assistant (HCA), with additional staffing assessed for higher dependency and/or occupancy.

During the year to March 23, the in-patient unit cared for 84 patients and their families. Average length of stay was 10 days.

Clinical support is undertaken through the deployment of two General Practitioners with Special Interest (GPSI). When taken with our additional contract for Consultant cover, the charity has direct medical review available three days per week. Arrangements are also in place to ensure additional appropriate medical review is available whenever needed.

Day Centre services continue to meet the needs and wishes of the patients within the philosophy of supporting them to 'live well with their illness'. The service is provided three days a week and is managed with a dedicated RGN and HCA. The service provided support to 115 patients and their families in the reporting period to March 23. 1070 appointments were attended including an increase in face to face appointments. A 12-week programme of planned activity within a period of attendance is usually offered, and support and sign-posting to other services is undertaken in preparation for discharge or if referrals to the service do not match with our provision. We continue to work with other organisations for reciprocal referrals in and out of services e.g. County Durham Carers and Macmillan Cancer Support. Day centre services are augmented by a Complementary Therapy service offering a range of relaxation and wellbeing therapies.

The Family Services and Bereavement support team worked with 177 patients and their families throughout the year. They provide much needed support and counselling to adults and there is also a children's counselling service available.

The Hospice has a current Care Quality Commission rating of Good (last inspected 2016).

Performance aspect (Units)	Year to 31 March 2023	Year to 31 March 2022
<u>Patient care</u> In-patients admitted	84	85
Total patients for Day services (appointments)	115 (1070)	51 (907)
Family Support and Bereavement services referrals	218	178

Nothing has ever been too much trouble. What magnificent support. My heart will always be here.

Thank you to all staff. You are so caring, kind and helpful.

Nothing is too big or too small.

I can't thank you enough, always holding my hand. Thank you.

Financial review

The Statement of Financial Activities (SoFA) shows that gross income increased from £1,243,859 to £1,437,551 and expenditure increased from £1,186,367 to £1,275,736. This resulted in a surplus of £161,815 (2022: £57,492) which has been allocated to restricted and unrestricted funds as shown in the SoFA.

The Trustees are satisfied with this position at the year-end and are keen to maintain the strength of overall reserves in the future.

Derwentside Hospice Care Foundation has continued to benefit from various grants during the year and the board of trustees gratefully acknowledge this support.

Work continues on ways in which income levels can be sustained and review of expenditure continues to take place to ensure the charity consistently achieves value for money. The Senior Management team are aware of the need to provide an efficient service that offers value for money to the community, without losing the emphasis on patient care and safety.

A strategic review of the charity is now completed with a strong strategic plan in place. The Board of Trustees and Senior Management Team will continue their efforts to provide a bright future for Derwentside Hospice Care Foundation, and a valued service for the people of Derwentside.

Policy on reserves

The calculation of free reserves is based on the definition included in the charity statement of recommended practice (SORP), which provides recommendations for accounting and reporting for charities. The Trustees have examined the requirements of the charity to hold free reserves - those reserves not invested in tangible fixed assets, excluding long term liabilities, or designated for a particular purpose. The Trustees considered it would be appropriate to hold the equivalent of six months operating costs. This equates to £650,000.

At the year end, free reserves were £772,617 (2022: £604,660), an increase of £167,957 in the year.

Plans for future development

The charity plans to develop and invest in a number of new initiatives over the coming years. Chief among these are-

- Children's Bereavements Counselling – demand for this service has increased and further plans are underway to increase capacity within this service.
- Complementary Therapy is key in ensuring the wellbeing of patients and carers. The service started this year has been well received and further plans are underway to increase capacity.
- Research – The charity has developed a Research programme in partnership with Sunderland University, looking into aspects of Hospice care, including community pharmacy and attitudes to Assisted Dying.

- Retail expansion – The charity has plans to develop a furniture store with recycling capabilities.
- Climate crisis - The need for greater energy efficiency is well understood as is the need to respond to the climate crisis. The charity plans to install a hugely expanded solar panel system to the roof of the Helen McArdle In Patient Unit and is exploring the possibility of fitting an Electric Vehicle charging port to its car park.

Going concern

The charity meets its day-to-day working capital requirements through cash generated from operations. 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 possible changes in trading performance.

Having considered the current cash forecasts of the Charity, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing these financial statements.

Objectives and policies

The Trustees have a formal risk management process to assess business risks and implement risk management strategies. This process involves identifying the types of risks the Charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the Trustees review the adequacy of the Charity's current internal controls and the costs of operating particular controls relative to the benefits obtained. Procedures have been established for reporting failings immediately to appropriate levels of management and to the Trustees.

The Trustees are satisfied that the systems and procedures in place are sufficient to adequately mitigate identified risks to an acceptable level in the Charity's day-to-day operations.

Risk environment

The charity has robust systems in place for review of the risk registers within the organisation. An annual report is made to Trustees on the risk environment, risk registers are discussed at monthly Senior Management Team meetings and all changes in risk status are reported to Trustees.

Environmental, Sustainability and Governance (ESG) and Corporate responsibility

Like many responsible businesses, the Hospice continues to consider more deeply the impact it has on its environment and surroundings and how it might contribute to a more sustainable future.

Sustainability aspect	Details or circumstances
Energy usage	All light fittings are replaced with LED bulbs.
Travel	Meetings can be held on-line if there isn't a specific need to meet in person.
Water usage	Water reduction valves are fitted to our showers. We store and reuse rainwater on site for our gardens.
Food miles	The Café seeks to use in-season food sourced from local producers where possible.
Local environment	Look to create empathetic environments within our own gardens.

The charity has extensive plans to fit additional solar panels to the roof of our In Patient Unit in order to reduce costs and our carbon footprint.

Performance aspect (Units)	Year to 31 March 2023	Year to 31 March 2022
Utility & resource usage		
Electricity (kWh)	73,547	120,353
Gas (therms)	150,711	155,735
Water (m3)	(E) 600	623
Payment of suppliers		
Creditor days outstanding	3	8
Volunteers' contribution		
Estimated hours	21,778	17,700
Indicative valuation	£232,000	£183,000

Financial instruments

The Hospice engaged an investment manager, CCLA, to manage a proportion of its free cash reserves. The threat of inflation eroding cash worth and low interest rates provided by conventional bank accounts meant that there was a risk of Reserves being depleted in value over time.

Taking into account cash forecasts and expectations, a prudent proportion of cash funds were handed over to CCLA to be managed in their COIF Ethical Investment Fund. It is intended that this will be a long-term arrangement, to provide the best opportunity for good returns, but this will be monitored regularly to ensure that the Fund Managers are performing adequately and adding to the continuing financial strength of the Hospice.

Other than (indirectly) within the CCLA Fund, the Hospice does not invest in any financial instruments.

Appointment of auditor

Following a formal tender process in line with the charity's recognised procedure Haines Watts North East Audit LLP were appointed auditors for the production of annual accounts as at 31 March 2023. It is envisaged, subject to annual Trustee approval at AGM, that this will be a three year arrangement and will be reviewed in 2025.

Derwentside Hospice Care Foundation

Statement of Trustees' Responsibilities

The Trustees (who are also the directors of Derwentside Hospice Care Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally-Accepted Accounting Practice) and applicable laws 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 statement; 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditor

Each trustee has taken steps that they ought to have taken as a trustee 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.

Approved by the trustees of the charity on 8 November 2023 and signed on their behalf by:

P Jackson – Chair & Trustee

Independent Auditor's Report to the members of Derwentside Hospice Care Foundation

Opinion

We have audited the financial statements of Derwentside Hospice Care Foundation Limited (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company'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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the strategic report and the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

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 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 charitable company 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.

We obtained an understanding of the legal and regulatory framework applicable to both the charitable company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the trustees and other management. The most significant were identified as the Charities Act 2011, the Companies Act 2006, UK GAAP (FRS 102), the Care Quality Commission and Health and Safety legislation. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making inquiries of trustees and management as to whether they consider there to be any known or suspected instances of fraud, or non-compliance with laws and regulations.
- Assessing the matters identified on the Charity's risk register.
- Reviewing the minutes of meetings of those charged with governance.
- Assessing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.
- Challenging assumptions and judgements made by management in their significant accounting estimates.

A further description of our responsibilities is available on the FRC's website at: https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for This description forms part of our auditor's report.

Independent Auditor's Report to the members of Derwentside Hospice Care Foundation

Use of our report

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

Craig Henderson (Senior Statutory Auditor)
For and on behalf of Haines Watts North East Audit LLP
17 Queens Lane
Newcastle upon Tyne
NE1 1RN
14 November 2023

Derwentside Hospice Care Foundation

Statement of Financial Activities for year-ended 31 March 2023
(including Income & Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Income and Endowments:					
Donations and legacies	3	368,791	42,375	**411,166**	**351,000**
Charitable Activities	4	569,102	-	**569,102**	**544,588**
Other trading activities	5	431,166	-	**431,166**	**348,271**
Unrealised gains on Investment	6	26,117		**26,117**	-
Total Income		**1,395,176**	**42,375**	**1,437,551**	**1,243,859**
Expenditure:					
Raising funds	7	(279,850)	-	**(279,850)**	**(224,040)**
Charitable activities	8	(938,490)	(57,396)	**(995,886)**	**(962,327)**
Total Expenditure		**(1,218,340)**	**(57,396)**	**(1,275,736)**	**(1,186,367)**
Net Income		**176,836**	**(15,021)**	**161,815**	**57,492**
Transfer between funds		0	(0)	-	-
		176,836	**(15,021)**	**161,815**	**57,492**
Reconciliation of funds					
Total funds brought forward		2,592,339	1,518,450	**4,110,789**	**4,053,297**
Total funds carried forward	22	**2,769,175**	**1,503,429**	**4,272,604**	**4,110,789**

All of the Charity's activities derive from continuing operations during the above two periods and includes all recognised gains and losses.

The funds breakdown for 2023 is shown in note 22.

Comparative period	Note	Unrestricted funds £	Restricted funds £	Total 2022 £
Income and Endowments:				
Donations and legacies	3	261,937	89,063	**351,000**
Charitable Activities	4	544,588	-	**544,588**
Other trading activities	5	348,271	-	**348,271**
Investment income	6	-		-
Total Income		**1,154,796**	**89,063**	**1,243,859**
Expenditure:				
Raising funds	6	(224,040)	-	**(224,040)**
Charitable activities	7	(874,310)	(88,017)	**(962,327)**
Total Expenditure		**(1,098,350)**	**(65,979)**	**(1,186,367)**
Net Income		56,4466	1,046	**57,492**
Transfer between funds		32,075	(32,075)	-
		88,521	**(31,029)**	**57,492**
Reconciliation of funds				
Total funds brought forward		2,503,818	1,549,479	**4,053,297**
Total funds carried forward	22	**2,592,339**	**1,518,450**	**4,110,789**

Derwentside Hospice Care Foundation

Balance Sheet for the year-ended 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	13	3,196,557	3,282,678
Investments in subsidiaries	14	1	1
		3,196,558	3,282,679
Current assets			
Investments	15	626,117	-
Debtors	16	194,752	135,057
Cash at bank and in hand		307,366	747,957
		1,128,235	883,014
Creditors: Amounts falling due within one year	17	(52,189)	(54,904)
Net current assets		1,076,046	828,110
Net assets		4,272,604	4,110,789
Funds of the charity:			
Restricted funds		1,503,429	1,518,450
Unrestricted income funds			
Designated Reserve		300,000	205,000
Unrestricted Reserve		2,469,175	2,387,339
Total funds	22	4,272,604	4,110,789

The financial statements on pages 16 to 31 were approved by the trustees, and authorised for issue on 8 November 2023, and signed on their behalf by

P Jackson – Chair & Trustee

Derwentside Hospice Care Foundation

Statement of Cash Flows for the year-ended 31 March 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash income		161,815	57,492
Adjustments to cash flows from non-cash items			
Depreciation	13	108,077	111,471
Disposal of fixed asset	13	-	716
Change in fair value of investments	6	(26,117)	-
		243,775	169,679
Working capital adjustments			
(Increase)/decrease in inventory		-	1,734
(Increase)/decrease in debtors	16	(59,695)	(10,043)
(Decrease) in creditors	17	(3,047)	(22,929)
Increase/(decrease) in deferred income	17	332	(888)
Net cash flows from operating activities		181,365	137,553
Cash flows from investing activities			
Purchase of tangible fixed assets	13	(21,956)	(12,416)
Disposal of fixed assets		-	-
Purchase of Investments	6	(600,000)	-
Net cash flows from investing activities		(621,956)	(12,416)
Cash flows from financing activities			
Interest payable and similar charges		-	-
Net increase in cash and cash equivalents		(440,591)	125,137
Opening cash and cash equivalents at 1 April		747,957	622,820
Cash and cash equivalents at 31 March	23	307,366	747,957

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

Notes to the Financial Statements for the year-ended 31 March 2023

1. Charity Status

The Charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the Trustees is liable to contribute an amount not exceeding £10 towards the assets of the Charity in the event of liquidation.

The address of its registered office is Willow Burn Hospice, Howden Bank, Lanchester, Durham, DH7 0QS

2. Accounting Policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation
Derwentside Hospice Care Foundation 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 presentation currency of the charitable company is Sterling.

Going concern
The Charity meets its day-to-day working capital requirements through cash generated from operations. 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 possible changes in their performance.

Having considered the current cash forecasts of the Charity the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing these financial statements. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

2. Accounting policies (continued)

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 judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Assessing indicators of impairment - In assessing whether there have been any indicators of impairment of assets, the trustees have considered both external and internal sources of information such as market conditions and experience of recoverability. Whilst the property remains in the financial statements at its written down historic cost (some £3.17m) the trustees recognise that this is on the basis of justifying its value in use, which is likely to exceed the net recoverable value in the event that the Charity was not a going concern and needed to sell the property.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are as follows:

Depreciation is projected to write off the cost of an asset, less its residual value, over its estimated useful economic life. Rates used to project useful economic life are detailed in the depreciation accounting policy.

Income and endowments

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the Charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the Charity before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case-by-case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the Charity.

Grants receivable

Grants are recognised when the Charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

2. **Accounting policies (continued)**

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- the donor specifies that the grant or donation must only be used in future accounting periods; or
- the donor has imposed performance conditions which must be met before the Charity has unconditional entitlement.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Charity's activities. These costs, which have not been directly apportioned, have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in the relevant note to the financial statements.

Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially 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.

Tangible fixed assets

Individual fixed assets costing £500 or more are initially recorded at cost.

2. Accounting policies (continued)

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

Asset class	Depreciation method and rate
Freehold land & buildings	2% straight line
Computer equipment	50% straight line
Fixtures, fittings and equipment (non-medical)	20% straight line
Fixtures, fittings and equipment (medical)	33% straight line

A full year's depreciation is charged in the year an asset is purchased.

Trade debtors
Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors
Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure
Unrestricted income funds are general funds that are available for use at the Trustees' discretion in furtherance of the objectives of the Charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the Trustees. Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post-retirement obligations
All eligible employees are automatically enrolled into a workplace pension scheme provided by Derwentside Hospice Care Foundation. Some clinical staff are members of the NHS pension scheme. Contributions are charged to the income and expenditure account as they become payable.

2. **Accounting policies (continued)**

Investments
Investments in subsidiaries and associates are measured at cost less impairment.

3. **Income from donations and legacies**

	Unrestricted funds General	Restricted funds	Total 2023	Total 2022
	£	£	£	£
Donations	56,152	-	56,152	68,891
Legacies	239,396	-	239,396	108,120
Gift Aid reclaimed	19,132	-	19,132	21,375
Grants	41,400	18,519	59,919	139,677
Regular giving and capital donations	12,711	-	12,711	12,389
Government Grants - CJRS	-	-	-	548
Kickstart Scheme	-	23,856	23,856	
	368,791	42,375	411,166	351,000

Included under Grants – Restricted funds (see Note 22) is the funding provided by Hospice UK to sustain this part of the Healthcare sector through the Covid-19 pandemic (£0k: 2022 - £55k), while normal operations were restricted and curtailed.

4. **Income from charitable activities**

	Unrestricted funds General	Total 2023	Total 2022
	£	£	£
NHS contract	562,793	562,793	541,738
Additional hospice income	6,309	6,309	2,850
	569,102	569,102	544,588

5. **Income from other trading activities**

	Unrestricted funds General	Total 2023	Total 2022
	£	£	£
Shop income from sale of donated goods and services	222,937	222,937	181,627
Other events income	123,846	123,846	87,897
Café and merchandise income	77,084	77,084	52,701
Other income	7,299	7,299	26,046
	431,166	431,166	348,271

In 2022, Other income includes a settlement of a business interruption claim by our insurers to cover lost revenues and profit (£1,081, from retail activities) because of disruption due to Storm Arwen.

6. Unrealised gains on investments

	Unrestricted funds General	Total 2023	Total 2022
	£	£	£
Unrealised gains on investments	26,117	**26,117**	-

A Charities Ethical Investment Fund portfolio account was opened with CCLA on 19th May 2022 with £600,000 being deposited into the investment portfolio. The movement on the initial investment from the date of deposit to the balance at the year-end is shown above.

7. Expenditure on raising funds

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
	£	£	£	£
Employment costs	175,747	-	**175,747**	**109,780**
Other costs	104,103	-	**104,103**	**114,260**
	279,850	-	**279,850**	**224,040**

The employment costs for 2023 include the Kickstart programme employees.

8. Expenditure on charitable activities

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
	£	£	£	£
Charitable activity costs	258,233	3,000	**261,233**	**209,778**
Staff costs	499,573	54,396	**553,969**	**557,520**
Loss on disposal of fixed asset	-	-	-	**716**
Support costs	180,684	-	**180,684**	**194,313**
	938,490	57,396	**995,886**	**962,327**

Analysis of support costs

Derwentside Hospice Care Foundation allocates costs direct to activities as far as possible, then identifies the remaining costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the key charitable activities undertaken in the year. Refer to the table below for the apportionment and analysis of support and governance costs.

Support costs allocated to charitable activities

	Governance costs	Other support costs	Total 2023	Total 2022
	£	£	£	£
Staff costs	-	135,426	**135,426**	**126,303**
Insurance	-	22,376	**22,376**	**20,476**
IT costs	-	24,970	**24,970**	**23,258**
Professional costs	-	9,812	**9,812**	**17,076**
Audit fee	8,200	-	**8,200**	**7,200**
	8,200	172,484	**180,684**	**194,313**

9. Taxation

The charity is a registered charity and is therefore exempt from corporate taxation.

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 from the charity during the year.

11. Staff costs

The aggregate payroll costs were as follows:

	Total 2023	Total 2022
Staff costs during the year were	£	£
Wages and salaries	786,514	731,371
Social security costs	54,738	49,318
Pension costs	12,353	12,915
	853,605	793,604

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

	Total 2023	Total 2022
Management	4	4
Other staff	45	34
	49	38

The average number of full-time equivalent employees included above is 16 (2022: 16). Derwentside Hospice Care Foundation adopts a flexible working policy which enables employees to request changes to their contracted hours to facilitate their physical and mental well-being to maintain a good work/life balance.

No employee received emoluments of more than £60,000 during the year (2022 – None).

The total employee benefits of the key management personnel of the charity were £155,152 (2022 - £142,221).

12. Auditor's remuneration

	2023	2022
	£	£
Audit fee	8,200	7,200

13. Tangible fixed assets

	Land and buildings	Furniture and equipment	Total
	£	£	£
Cost			
At 1 April 2022	3,591,014	525,955	4,116,969
Additions	-	21,956	21,956
Disposals	-	(2,280)	(2,280)
At 31 March 2023	**3,591,014**	**545,631**	**4,136,645**
Depreciation			
At 1 April 2022	361,891	472,400	834,291
Charge for year	62,739	45,338	108,077
Disposals	-	(2,280)	(2,280)
At 31 March 2023	**424,630**	**515,458**	**940,088**
Net book value			
At 31 March 2023	**3,166,384**	**30,173**	**3,196,557**
At 31 March 2022	3,229,123	53,555	3,282,678

There is a time-bound, legal charge over all buildings, fixtures and fittings and fixed plant and machinery that are situated on or form part of the freehold land and buildings at Howden Bank, Lanchester, Durham which is registered at the Land Registry under Title Number DU328389 and each and every part thereof subject to the encumbrances referred to in the registered title at any time; the proceeds of the sale of any part of the Property and any other monies paid or payable in respect of or in connection with the Property, the benefit of any covenants for title given, or entered into, by any predecessor in title of the Recipient in respect of the Property, and any monies paid or payable in respect of those covenants; and all rights under any licence, agreement for sale or agreement for lease in respect of the Property (see Note 20).

14. Investment in subsidiary

	2023	2022
	£	£
Other investments	1	1

	Hazelbrook Specialist Care	Total
	£	£
Cost		
At 1 April 2022	1	1
At 31 March 2023	1	1
Net book value		
At 31 March 2023	1	1
At 31 March 2022	1	1

Hazelbrook Specialist Care at Home Ltd (HSCH) is a wholly owned subsidiary trading company of Derwentside Hospice Care Foundation (100% ordinary shares). Hazelbrook Specialist Care at Home Ltd is a dormant entity and as such, consolidated accounts have not been prepared in 2023.

15. Investments

	2023 £
As at 1 April	-
Additions	600,000
Change in Market Value	26,117
As at 31 March	626,117

16. Debtors

	2023 £	2022 £
Trade debtors	9,464	34,481
Prepayments	31,839	30,386
Accrued income	147,400	63,118
VAT recoverable	6,049	7,072
	194,752	135,057

Included in Accrued income are legacy donations of £115,000 (2022: £nil) notified to us prior to the year end and received in April 2023.

17. Creditors

	2023 £	2022 £
Trade creditors	9,961	8,667
Other taxation and social security	14,209	15,404
Other creditors	5,131	8,361
Accruals	21,423	21,339
Deferred income	1,465	1,133
	52,189	54,904
Deferred income at 1 April 2022	1,133	2,021
Resources deferred in the period	1,465	1,133
Amounts released from previous periods	(1,133)	(2,021)
Deferred income at year end	1,465	1,133

Other creditors include £497 of inter-company loan, owing to Hazelbrook Specialist Care at Home Limited. This company is currently dormant, and there are no interest or repayment conditions attached to this sum.

18. Obligations under lease and hire purchase contracts

Operating lease commitments

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

	Land & buildings	Other	2023	2022
	£	£	£	£
Within one year	38,792	4,234	43,026	45,433
Between one and five years	120,833	700	121,533	138,531
Over five years	81,542	-	81,542	108,046
	241,167	4,934	246,101	292,010

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 £12,353 (2022 - £12,915).

Contributions included in creditors totalling £4,635 (2022: £7,864) were payable at the end of the period.

20. Contingent liabilities

Included as a restricted reserve is a grant received in 2019 of £1,500,000 from Michael McArdle. Until May 2039 the charity has agreed to meet the conditions of the contract for receiving the grant. Should any of the conditions be breached, then the grant would be repayable. The repayment terms stipulate that this would be a full repayment of the grant in years one to eleven (subject to any decrease in the overall fair value of the Helen McArdle Wing, if lower), with the repayment then reducing by 10% each subsequent year up to year twenty of the agreement.

21. Analysis of net assets between funds

	Unrestricted funds General	Designated	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	1,696,557	-	1,500,000	3,196,557
Fixed asset investments	1	-	-	1
Net current assets	772,617	300,000	3,429	1,076,046
Total net assets	**2,472,604**	**300,000**	**1,503,429**	**4,272,604**

Tangible fixed assets shown between unrestricted and restricted funds are subject to a legal charge as detailed in the fixed asset note and note 22. Further details of the split between funds are given in the contingent liabilities note.

The trustees only consider the fixed assets to be restricted due to the legal charge in place and have therefore capped the value allocated as restricted at the original grant value awarded of £1.5 million.

Comparative analysis	Unrestricted funds General	Designated	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	1,782,678	-	1,500,000	3,282,678
Fixed asset investments	1	-	-	1
Net current assets	604,660	205,000	18,450	828,110
Total net assets	**2,387,339**	**205,000**	**1,518,450**	**4,110,789**

22. Funds

	Balance at 1 April 2022	Incoming resources	Resources expended	Transfers	Balance at 31 March 2023
	£	£	£	£	£
Unrestricted funds					
General					
General fund	**2,387,339**	1,395,176	(1,218,340)	(95,000)	**2,469,175**
Contingent Liabilities	**205,000**	-	-	-	**205,000**
Development Fund			-	95,000	**95,000**
Total unrestricted funds	**2,592,339**	1,395,176	(1,218,340)	-	**2,769,175**
Restricted funds					
Hospice at Home	**2,135**	-	(2,135)	-	-
Derwent Valley AAP	**2,687**	-	(2,687)	-	-
Other Grants less than £10,000 (b/f from 2022)	**13,628**	-	(13,628)	-	-
Kickstart Scheme	-	23,856	(23,856)	-	-
St James Place	-	2,500	(2,500)	-	-
Mid Durham AAP	-	500	(500)	-	-
Co-Op Community Fund	-	4,490	(4,490)	-	-
Grace Trust	-	1,000	(1,000)	-	-
Hospice UK	-	6,600	(6,600)	-	-
NHS (NENC) & ICB	-	3,429	-	-	**3,429**
Michael McArdle	**1,500,000**	-	-	-	**1,500,000**
Total restricted funds	**1,518,450**	42,375	(57,396)	-	**1,503,429**
Total funds	**4,110,789**	1,437,551	(1,275,736)	-	**4,272,604**

Unrestricted Funds

The Contingent Liabilities' Reserve and the Development fund are designated funds. The contingent liability represents funds to cover adverse trading conditions and increases in the cost of living. The development fund are monies set aside as agreed by the board with the intention of being spent on plans for the future including service development and green initiatives to make the hospice even more eco-friendly.

Notes to the Financial Statements for the year-ended 31 March 2023 (continued)

Restricted Funds

Hospice at Home Fund
Funds restricted for the purpose of setting up and supporting the growth of the hospice at home service. The services delivered through Hazelbrook Specialist Care at Home ceased on 3 December 2017 and these remaining funds have been used to cover the cost of conducting regular telephone welfare checks after patients have been discharged to their homes after staying at our in-patient unit.

Derwent Valley AAP
Derwent Valley AAP funded the overheads and supporting costs for the Children's Bereavement Service for eight months of the financial year 2021/2022.

Funds (continued)

Michael McArdle
A donation was made in 2019 of £1,450,000 (following an earlier instalment of £50,000) to fund the building of the McArdle Wing. The asset valuation is reduced annually by the depreciation charge incurred on the works and currently stands at £1,380,127 (total cost £1,533,474). Following signature of grant agreements, the donation clawback remains restricted (up to a value of £1,500,000; see Note 20) for a total period of 20 years through to 31 May 2039 when the restriction ends, after which time the remaining asset will be de-restricted and transferred to unrestricted reserves.

Kickstart Scheme
The hospice particapted in the Kickstart scheme. The DWP funded salaries of young people gaining some valuable work experience in order to better enable them to secure long term employment and to stop claiming JSA.

St James Place & Mid Durham AAP
St James Place awarded us £2,500 towards the cost of a Childrens play cottage for our garden, where children's counselling can take place outdoors to maximise children's engagement and participation. Mid Durham AAP awarded us £500 towards the cost of a mud kitchen to further encourage play and participation during counselling sessions

Co-op Community Fund
Contribution towards the salaries for the running of Day Services.

Grace Trust
We were awarded £1000 towards the salary cost of our complimentary therapist during 2022/23.

Hospice UK
This grant was used to cover the salary costs of our RGN, HCA and Complimentary therapist for one day a week, providing services for the carers of our Day-patients under their 'Supporting Carers in County Durham' scheme.

NHS (NE&NC) & ICB
These funds were received in March 2023 and will be used to deliver personalised wellbeing support for young people through bereavement counselling.

Comparative analysis

	Balance at 1 April 2021	Incoming resources	Resources expended	Transfers	Balance at 31 March 2022
	£	£	£	£	£
Unrestricted funds					
General					
General fund	**2,316,818**	1,154,796	(1,098,350)	14,075	**2,387,339**
Contingent Liabilities	**187,000**	-	-	18,000	**205,000**
Total unrestricted funds	**2,503,818**	1,154,796	(1,098,350)	32,075	**2,592,339**
Restricted funds					
Day Hospice	**5,205**	-	(5,205)	-	-
Hospice at Home	**2,135**	-	-	-	**2,135**
Mid-Durham AAP	**9,896**	-	(9,896)	-	-
Sir James Knott Trust	-	10,000	(10,000)	-	-
Derwent Valley AAP	-	11,179	(8,492)	-	**2,687**
Hospice UK	-	54,742	-	(54,742)	-
Other grants less than £10,000	**32,243**	13,142	(23,754)	(8,003)	**13,628**
Michael McArdle	**1,500,000**	-	(30,670)	30,670	**1,500,000**
Total restricted funds	**1,549,479**	89,063	(88,017)	(32,075)	**1,518,450**
Total funds	**4,053,297**	1,243,859	(1,186,367)	-	**4,110,789**

23. Analysis of movement in net funds

	At 1 April 2022	Cash flow	Other	At 31 March 2023
	£	£	£	£
Cash at bank and in hand	747,957	185,526	(626,117)	**307,366**
Net funds	747,957	185,526	-	**307,336**

Comparative analysis	At 1 April 2021	Cash flow	Other	At 31 March 2022
	£	£	£	£
Cash at bank and in hand	622,820	125,137	-	**747,957**
Net funds	622,820	125,137	-	**747,957**

24. Related party transactions

There is nothing to report in respect of related party transactions.

DERWENTSIDE HOSPICE CARE FOUNDATION

England & Wales - Charity number 519659

Accounts

Company registration number: 02263960

Charity registration number: 519659

DERWENTSIDE HOSPICE CARE FOUNDATION

(A company limited by guarantee)

Annual Report & Financial Statements

for the Year ending 31 March 2022

Derwentside Hospice Care Foundation

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Derwentside Hospice Care Foundation

Reference and Administrative Details

Company Registration Number	02263960
Charity Registration Number	519659
Solicitors	Ward Haddaway 102 Quayside Newcastle upon Tyne Tyne & Wear NE1 3DX
Bankers	Lloyds Bank 1 Victoria Road Consett Durham DH8 5AE CAF Bank Limited Head Office Kings Hill West Malling Kent ME19 4TA
Investment Managers	CCLA Investment Management Limited One Angel Lane London EC4R 3AB
Auditor	Azets Audit Services Bulman House Regent Centre Gosforth Newcastle-upon-Tyne NE3 3LS

Derwentside Hospice Care Foundation

Reference and Administrative Details

Trustees	P Jackson (Chair) R Bennett S E Brent I A Burke Dr C T Kelly M H McArdle L Telford
Key Management Personnel	D E Barker – Director of Operations C Hagri – Head of Clinical C P Hewitt – Head of Finance R Todd – Head of Marketing
Principal Office	Willowburn Hospice Howden Bank Lanchester Durham DH7 0QS

The charity is incorporated in England and Wales.

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 2022.

Report from the Chair of the Board

The last year was a year of managed development as Willow Burn Hospice emerged from the global Covid-19 pandemic and we appointed a new Director of Operations.

The hospice in-patient unit never closed during the times of lockdown and we are tremendously proud of all our staff for their efforts and professionalism during such a difficult time for all.

The on/off nature of the Covid restrictions meant that fundraising events were sometimes stalled but they remain key to our efforts to re-engage with the local community. When it came, the freedom to hold public meetings again meant that events such as our annual Light Up a Life event, held at Lanchester All Saints Church, had a special significance in terms of remembrance. We held a hugely successful Charity Ball and Christmas was marked by a beautiful carol service in the grounds of the Hospice.

The Willows Café reopened and is proving to be a huge draw for the local community, helping the charity become more accessible and creating numerous opportunities for further development.

The charity has seen a growth in demand for our Bereavement Services, including Children's Counselling and we have plans to develop this service further over the coming years. Similarly, our Complimentary Therapies have seen an increase in demand and we are looking to expand the service to meet this need.

Our new Director of Operations, in consultation with the Board of Trustees, has reviewed our strategic priorities and restructured our governance arrangements, which are delivered through three sub committees (Quality & Compliance, Fundraising & Marketing and Finance & General Purposes).

The charity relies on a small team of highly dedicated staff delivering high quality care and support, across the wide remit of our activities. The staff are supported brilliantly, by a team of committed volunteers. Whether in the gardens, the shops, the cafe, reception and administration or day service our volunteer's work is highly regarded by all.

One of our Trustees, Mark Davies, left the charity and we thank him for all his efforts on behalf of the charity and wish him well for the future. Another Trustee and Vice Chair of the charity, Anne Britton, has also retired and we thank Anne and celebrate her support, for over a decade, to Willow Burn Hospice.

We welcomed two new Trustees – Dr Cindy Kelly and Ian Burke – to our Board and they have added further strength to our already strong group of Trustees.

I am pleased to commend this Annual Report and Accounts.

Paul Jackson

Chair of the Board of Trustees

Trustees' Report (continued)

Structure, governance and management

Nature of governing document

The organisation is a charitable company limited by guarantee, incorporated on 2 June 1988.

The charitable company was established under a Memorandum of Association that established the objects and powers of the organisation and is governed under its Articles of Association passed by special resolution in January 2013, and last updated on 19 May 2022. In the event of the charitable company being wound up, members are required to contribute an amount not exceeding £10.

Organisational structure

The charity is governed by its board of trustees who are also the appointed directors of the company. The number of trustees at present is seven. The Trustees who served during the year, and were in office up to the signing of this report were;-

P Jackson (Chair)
R Bennett
S E Brent
A Britton (resigned 11 May 2022)
I A Burke (appointed 8 December 2021)
M Davies (resigned 20 October 2021)
Dr C T Kelly (appointed 2 June 2021)
M H McArdle
L Telford

Recruitment and appointment of trustees

Trustees can be elected or co-opted during the year and their appointment is confirmed at the Annual General Meeting (AGM). At each AGM one third of the Trustees must retire from office. The Trustees to retire by rotation are those who have been longest in office since their last appointment.

The Trustees aim to maintain a balanced skills and knowledge base amongst the Board members by identifying skills shortages when an opening exists for a new member. Representation relevant to the service user group is a key factor given the charity's mission.

The Trustees are required to meet at least four times per year and are currently meeting that target despite the constraints presented by the pandemic. At these meetings members receive detailed management accounts (including cashflow projections and reforecasts) as well as reports on operational activities each month. The Board also receive regular presentations and reports on any major developments or proposals. They participate in the strategic planning process and have ultimate responsibility for approval of the strategic plan. During the pandemic restrictions, meetings have been held virtually, but these along with other processes are now returning to normal.

Induction and training of trustees

New trustees are provided with a proper induction process and pack which details everything they need to know about the charity as well as their responsibilities as a trustee. Briefing papers and familiarisation training are effected for all trustees, as deemed necessary.

Sub-Committees

Following a review by the new Director of Operations the board of trustees approved plans to reduce the number of sub committees from 4 to 3. The board of trustees is now supported by the following 3 sub-committees:

- **Finance & General purposes Sub-Committee** which comprises of at least two trustees who are independent of the management team. At least one trustee is free from any relationship that in the opinion of the board would interfere with the exercise of independent judgement as members of the group. The responsibility of the group is to provide an effective review process of both current and future financial performance. The group is currently meeting four times a year, with monthly performance reporting continuing between meetings. The Head of Finance supports this sub-committee. The focus of the group is to continue to strengthen the charity day-to-day, and develop the long-term future of the organisation, while ensuring fruitful and prudent utilisation of its resources.
- **Fundraising & Marketing Sub-Committee** which comprises of at least two trustees who are independent of the management team who are free from any relationship that in the opinion of the board would interfere with the exercise of independent judgement as members of the group. The group is currently meeting four times a year. The Head of Fundraising & Marketing supports this sub-committee. The responsibility of the group is to provide an effective challenge and support in terms of business development, fundraising and marketing of the charity, in line with the wider strategic aims of the hospice.
- **Quality & Compliance Sub-Committee** which comprises of at least two trustees who are independent of the management team who are free from any relationship that in the opinion of the board would interfere with the exercise of independent judgement as members of the group. There is also a member of the sub-committee who is not a trustee to provide independent assurance and challenge to the group. The group is currently meeting four times a year. The Head of Clinical Services supports this sub-committee. The responsibility of the group is to provide an effective audit mechanism of current and future clinical activity and the development of future strategy.

Day-to-day management

The Director of Operations is responsible for the day-to-day management of the charity's affairs and for implementing the strategy as agreed by the Board. This is done within the boundaries of the budget and various policies and procedures also agreed by the Board. The Director of Operations appraises the Chair of any significant issues that may arise between formal meetings. The Director of Operations is supported by a senior management team that currently consists of the Head of Clinical Services, Head of Fundraising and Marketing, Head of Finance and Officer Manager. The management team (including the Director of Operations) hold regular meetings as needed, to address all relevant operational issues.

Key Management Personnel

The Board, who give their time freely and received no remuneration in the year, have considered who the Key Management Personnel (KMP) of the charity are, as noted in the Reference and Administration section. Together with the Board, these KMP are those in charge of directing and controlling, running and operating the activities of the charity on a day-to-day basis. The pay of the KMP is reviewed annually. The Trustees benchmark against pay levels of other charities and similar organisations within the sector and the region. Pay levels are set using this information together with the budget and forecast information, ensuring that the Charity can afford any proposed increases. The Board then agree any uplift to remuneration.

Trustees' Report (continued)

Objectives and activities

Objects and aims

Derwentside Hospice Care Foundation's objects are to promote the relief of sickness by -

Providing appropriate care to people in the life limiting phase of their illness and to support the whole family during this time and in bereavement.

Establishing, maintaining and conducting hospitals, residential nursing homes and clinics for the reception and care of persons suffering from any illness, disability, disease or other infirmity whether physical or mental and providing medical or other treatment and attention for any such persons either in their own home or at any institution of the charity.

Promoting or assisting in the teaching or training of doctors, nurses, physiotherapists and other persons engaged in any branch of medicine, surgery, nursing or allied services, and in the teaching or training of students in any branch of medicine, surgery, nursing or allied services.

Conducting or promoting research into palliative care and treatment of persons suffering from any such illness, disability, disease or infirmity as aforesaid and particularly into the care and treatment of persons suffering from cancer or terminal illness and to disseminate the useful results thereof to the public.

Providing such medical supplies, equipment and apparatus, drugs, amenities, comforts and other things conducive to the material or spiritual welfare of any person resident or working in any institution of the charity or any person being treated or attending in their own houses that the charity may think fit.

Arranging lectures and conducting training courses and publishing pamphlets, books, journals and other publications relating to the working of the charity.

Fundraising disclosures

The charity's Head of Fundraising & Marketing continues to be a member of the Institute of Fundraising and the charity follows best practice and regulations in all its fundraising activity. No complaints relating to fundraising activities have been received within the reporting period. The charity is registered with The Fundraising Regulator.

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Strategic priorities

Good Governance	Community Engagement	Talk About Death
High Quality Services	Raising Public Profile	Engage in emerging themes in hospice care
Financial sustainability	Major Capital Appeal	Develop and deliver research strategy
Playing our part	Services to the wider public	Staff development
Compliance		

Achievements and performance in Clinical Services

Willow Burn Hospice has in-patient capacity of six beds in the Helen McArdle Wing. Four of which are currently commissioned by the Clinical Commissioning Group (replaced by the Integrated Care Board in July 2022) to provide end-of-life care, symptom management and crisis intervention respite support. Spot Purchase requests for the additional beds are made for individual need for end-of-life patients. A further contract has been agreed with Continuing Health Care (CHC) for patients who may require longer term funding in a hospice bed where they are assessed either as not suitable for a nursing home placement or have a unique set of circumstances and 'fit' with the philosophy of hospice care.

Admissions are arranged through professional referrals, and assessed and considered on a priority need basis. All patients and families have access to our family support team to meet their psychological and emotional needs as part of a holistic package of care. The in-patient unit is staffed continuously by one Registered Nurse (RGN) and one Healthcare Assistant (HCA), with additional staffing assessed for higher dependency and/or occupancy.

During the year to March 22, the in-patient unit cared for 91 patients and their families. Average length of stay was 10 days.

Clinical support is undertaken through the deployment of two General Practitioners with Special Interest (GPSI). When taken with our additional contract for Consultant cover, we now have direct medical review available three days per week. Arrangements are also in place to ensure appropriate medical review is available whenever needed.

Day Centre services continue to meet the needs and wishes of the patients within the philosophy of supporting them to 'live well with their illness'. The service is provided three days a week and is managed with a dedicated RGN and HCA. The service provided support to 51 patients and their families in the reporting period to March 22. 907 appointments were attended including an increase in face to face appointments. A 12-week programme of planned activity within a period of attendance is usually offered, and support and sign-posting to other services is undertaken in preparation for discharge or if referrals to the service do not match with our provision. We continue to work with other organisations for reciprocal referrals in and out of services e.g. County Durham Carers and Macmillan Cancer Support. Day centre services are augmented by a Complementary Therapy service offering a range of relaxation and wellbeing therapies.

The Family Services and Bereavement support team worked with 336 patients and their families throughout the year. They provide much needed support and counselling to adults and there is also a children's counselling service available.

The Hospice has a current Care Quality Commission rating of Good (last inspected 2016).

Performance aspect (Units)	Year to 31 March 2022	Year to 31 March 2021
Patient care		
In-patients admitted	91	73
Total patients for Day services (appointments)	51 (907)	40 (490)
Family Support and Bereavement services	241	151

"We can never thank you enough for everything you did to look after our mum. Your care, support, compassion and sense of fun will never be forgotten by us.
With much love and appreciation."

Financial review

The Statement of Financial Activities (SoFA) shows that gross income decreased from £1,296,493 to £1,243,859 and expenditure increased from £1,052,802 to £1,186,367. This resulted in a surplus of £57,492 (2021: £243,691) which has been allocated to restricted and unrestricted funds as shown in the SoFA.

The Trustees are satisfied with this position at the year-end following the continuing disruption caused by the pandemic, and are keen to maintain the strength of overall reserves in the future. During the year a designation was made to a Contingent Liabilities' Reserve. This Reserve represents the amount payable by Willow Burn Hospice as statutory redundancy were it required to close, added to the "stretch" targets within the following year budget (financial year to 31 March, 2023) – those items considered to be most demanding for achieving a balanced budget.

Derwentside Hospice Care Foundation has continued to benefit from various grants during the year and the board of trustees gratefully acknowledge this support.

Policy on reserves

The calculation of free reserves is based on the definition included in the charity statement of recommended practice (SORP), which provides recommendations for accounting and reporting for charities. The trustees have examined the requirements of the charity to hold free reserves - those reserves not invested in tangible fixed assets, excluding long term liabilities, or designated for a particular purpose. The Trustees considered it would be appropriate to hold the equivalent of six months operating costs. Given the range of activities undertaken by the charity, a calculation of six months' operating costs comes up with a range of answers depending on the contractual circumstances of the different parts of the business, and how they might be impacted. The range calculated was determined to be between £308,000 and £524,000 (2021: £280,000 and £475,000 – the lower limit looking solely at the Hospice and Care services operating with a limited back office staff, while the upper limit is for the whole organisation).

At the year end, free reserves were £604,660 (2021: £434,368), an increase of £170,292 in the year and at 115.4% of the upper boundary of the required operating costs' range.

Work continues on ways in which income levels can be sustained and review of expenditure continues to take place to ensure the charity consistently achieves value for money. The Trustee Board is happy to be in excess of the upper quartile of the target range for operating expenses at this juncture, as there is deemed to be considerable uncertainty on how the economy, funding and other financial matters will unfold in the near to medium term. The Senior Management team are aware of the need to provide an efficient service that offers value for money to the community, without losing the emphasis on patient care and safety.

A strategic review of the charity is now completed with a strong strategic plan in place. The Board of Trustees and Senior Management Team will continue their efforts to provide a bright future for Derwentside Hospice Care Foundation, and a valued service for the people of Derwentside.

Plans for future periods

The charity plans to develop and invest in a number of new initiatives over the coming years. Chief among these are;-

- Children's Bereavements Counselling – demand for this service has increased and plans are underway to increase capacity within this service.
- Complementary Therapy is key in ensuring the wellbeing of patients and carers. The service started this year has been well received and plans are underway to increase capacity.
- Research – The charity has commenced a Research programme in partnership with Sunderland University, looking into aspects of Hospice care.
- Retail expansion – The charity plans to explore the development a superstore with furniture recycling capabilities.

Going concern

The charity meets its day-to-day working capital requirements through cash generated from operations. 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 possible changes in trading performance.

In the Trustees' assessment of possible changes they have considered the impact of COVID-19 virus on the charity and its impact on the wider economy.

Having considered the current cash forecasts of the Charity, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing these financial statements.

Objectives and policies

The Trustees have introduced a formal risk management process to assess business risks and implement risk management strategies. This process involves identifying the types of risks the Charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the Trustees review the adequacy of the Charity's current internal controls and the costs of operating particular controls relative to the benefits obtained. Procedures have been established for reporting failings immediately to appropriate levels of management and to the Trustees.

The Trustees are satisfied that the systems and procedures in place are sufficient to adequately mitigate identified risks to an acceptable level in the Charity's day-to-day operations.

Risk environment

The charity has robust systems in place for review of the risk registers within the organisation. An annual report is made to Trustees on the risk environment, risk registers are discussed at monthly Senior Management Team meetings and all changes in risk status are reported to Trustees.

Environmental, Sustainability and Governance (ESG) and Corporate responsibility

Like many responsible businesses, the Hospice has begun to consider more deeply the impact it has on its environment and surroundings and how it might contribute to a more sustainable future.

One example is consideration of further solar panels to be installed to generate more of our electricity. We have a detailed Sustainability Policy, a summary extract of which is as follows;-

Sustainability aspect	Details or circumstances
Energy usage	All light fittings are replaced with LED bulbs. If buying new appliances, the most energy efficient models are sougbt.
Travel	Meetings are held on-line where there isn't a specific need to meet in person.
Water usage	Water reduction valves are fitted to our showers. We are looking at how we might use and store rainwater on site.
Food miles	The Café seeks to use in-season food sourced from local producers where possible.
Local environment	Look to create empathetic environments within our own gardens and allotment. Grow some of our own food.

The following table shows some further performance statistics over the last two years. While, understandably, the figures for resource usage for the current year are increased on the previous period, these comparisons are affected by the closure restrictions in operation during the pandemic. Nevertheless, we are now turning our attention to how we might limit or decrease our consumptions.

Performance aspect (Units)	Year to 31 March 2022	Year to 31 March 2021
Utility & resource usage		
Electricity (kWh)	120,353	93,333
Gas (therms)	155,735	127,743
Water (m3)	623	N/a
Payment of suppliers		
Creditor days outstanding	8	31
Volunteers' contribution		
Estimated hours	17,700	N/a
Indicative valuation - £ 000s	183	-

Financial instruments

Following the year-end, the Hospice engaged an investment manager, CCLA, to manage a proportion of its free cash reserves. The impending threat of inflation eroding cash worth and low interest rates provided by conventional bank accounts meant that there was a risk of Reserves being depleted in value over time.

Taking into account cash forecasts and expectations, a prudent proportion of cash funds were handed over to CCLA to be managed in their COIF Ethical Investment Fund. It is intended that this will be a long-term arrangement, to provide the best opportunity for good returns, but this will be monitored regularly to ensure that the Fund Managers are performing adequately and adding to the continuing financial strength of the Hospice.

Other than (indirectly) within the CCLA Fund, the Hospice does not invest in any financial instruments.

Appointment of auditor

Azets Audit Services Limited, trading as Azets Audit Services, were appointed to the company following their acquisition of the trade of Tait Walker LLP, trading as MHA Tait Walker, on 1 May 2022.

A resolution proposing a change of auditors from Azets Audit Services for the next financial year will be tabled at the Annual General Meeting.

Statement of Trustees' Responsibilities

The Trustees (who are also the directors of Derwentside Hospice Care Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally-Accepted Accounting Practice) and applicable laws 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 statement; 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditor

Each trustee has taken steps that they ought to have taken as a trustee 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.

Approved by the trustees of the charity on 9 November 2022 and signed on their behalf by:

P Jackson – Chair & Trustee

Independent Auditor's Report to the members of Derwentside Hospice Care Foundation

Opinion

We have audited the financial statements of Derwentside Hospice Care Foundation (the 'charity') for the year ended 31 March 2022, 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 2022 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's 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 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.

We have nothing to report in this regard.

Independent Auditor's Report to the members of Derwentside Hospice Care Foundation (continued)

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 preparaed 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 company 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 the returns for our audit have not been received from branches not visited by us
- the financial statements are not in agreement with the accounting records and returns
- 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's responsibilities for the audit of the financial statements

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

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:

- enquiries with management, about any known or suspected instance 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.

Independent Auditor's Report to the members of Derwentside Hospice Care Foundation (continued)

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; Care Quality Commission; and compliance with both the UK Companies Act and UK 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. 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 11/11/2022

Simon Brown, BA ACA DChA (Senior Statutory Auditor)

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

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

Derwentside Hospice Care Foundation

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 funds	Restricted funds	Total 2022	Total 2021
		£	£	£	£
Income and Endowments:					
Donations and legacies	3	310,157	89,063	**399,220**	**553,380**
Charitable Activities	4	544,588	-	**544,588**	**602,827**
Other trading activities	5	300,051	-	**300,051**	**140,286**
Total Income		**1,154,796**	**89,063**	**1,243,859**	**1,296,493**
Expenditure:					
Raising funds	6	(224,040)	-	**(224,040)**	**(145,055)**
Charitable activities	7	(874,310)	(88,017)	**(962,327)**	**(907,747)**
Total Expenditure		**(1,098,350)**	**(88,017)**	**(1,186,367)**	**(1,052,802)**
Net Income		56,446	1,046	**57,492**	**243,691**
Transfer between funds		32,075	(32,075)	-	-
		88,521	**(31,029)**	**57,492**	**243,691**
Reconciliation of funds					
Total funds brought forward		2,503,818	1,549,479	**4,053,297**	**3,809,606**
Total funds carried forward	21	**2,592,339**	**1,518,450**	**4,110,789**	**4,053,297**

All of the Charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2022 is shown in note 22.

Comparative period	Note	Unrestricted funds	Restricted funds	Total 2021
		£	£	£
Income and Endowments:				
Donations and legacies	3	295,596	257,784	**553,380**
Charitable Activities	4	602,827	-	**602,827**
Other trading activities	5	140,286	-	**140,286**
Total Income		**1,038,709**	**257,784**	**1,296,493**
Expenditure:				
Raising funds	6	(145,055)	-	**(145,055)**
Charitable activities	7	(841,768)	(65,979)	**(907,747)**
Total Expenditure		**(986,823)**	**(65,979)**	**(1,052,802)**
Net Income		51,886	191,805	**243,691**
Transfer between funds		624,394	(624,394)	-
		676,280	**(432,589)**	**243,691**
Reconciliation of funds				
Total funds brought forward		1,827,538	1,982,068	**3,809,606**
Total funds carried forward	21	**2,503,818**	**1,549,479**	**4,053,297**

Derwentside Hospice Care Foundation
(Registration number: 02263960)

Balance Sheet as at 31 March 2022

	Note	2022	2021
		£	£
Fixed assets			
Tangible assets	13	3,282,678	3,382,449
Investments	14	1	1
		3,282,679	3,382,450
Current assets			
Inventory	15	-	1,734
Debtors	16	135,057	125,014
Cash at bank and in hand		747,957	622,820
		883,014	749,568
Creditors: Amounts falling due within one year	17	(54,904)	(78,721)
Net current assets		828,110	670,847
Net assets		4,110,789	4,053,297
Funds of the charity:			
Restricted funds		1,518,450	1,549,479
Unrestricted income funds			
Designated Reserve		205,000	187,000
Unrestricted Reserve		2,387,339	2,316,818
Total funds	21	4,110,789	4,053,297

The financial statements on pages 16 to 31 were approved by the trustees, and authorised for issue on 9 November 2022, and signed on their behalf by

P Jackson – Chair & Trustee

Statement of Cash Flows for the year-ended 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash income		57,492	243,691
Adjustments to cash flows from non-cash items			
Depreciation	**13**	111,471	110,110
Disposal of fixed asset	**13**	716	-
Interest payable	**7**	-	1,057
		169,679	354,858
Working capital adjustments			
(Increase)/decrease in inventory	**15**	1,734	(1,734)
(Increase)/decrease in debtors	**16**	(10,043)	35,322
(Decrease) in creditors	**17**	(22,929)	(31,966)
Increase/(decrease) in deferred income	**18**	(888)	2,021
Net cash flows from operating activities		137,553	358,501
Cash flows from investing activities			
Purchase of tangible fixed assets	**13**	(12,416)	(21,166)
Disposal of fixed assets		-	-
Net cash flows from investing activities		(12,416)	(21,166)
Cash flows from financing activities			
Interest payable and similar charges	**7**	-	(1,057)
Net increase in cash and cash equivalents		125,137	336,278
Opening cash and cash equivalents at 1 April		622,820	286,542
Cash and cash equivalents at 31 March	**23**	747,957	622,820

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

Notes to the Financial Statements for the year-ended 31 March 2022

1. Charity Status

The Charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the Trustees is liable to contribute an amount not exceeding £10 towards the assets of the Charity in the event of liquidation.

The address of its registered office is Willowburn Hospice, Howden Bank, Lanchester, Durham, DH7 0QS

2. Accounting Policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation
Derwentside Hospice Care Foundation 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 presentation currency of the charitable company is Sterling.

Going concern
The Charity meets its day-to-day working capital requirements through cash generated from operations. 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 possible changes in their performance.

In the Trustees' assessment of possible changes they have considered the impact of the COVID-19 virus on the Charity and have a continuity plan in place should the global economic impact widen.

Having considered the current cash forecasts of the Charity the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing these financial statements. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

2. Accounting policies (continued)

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 judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Assessing indicators of impairment - In assessing whether there have been any indicators of impairment of assets, the trustees have considered both external and internal sources of information such as market conditions and experience of recoverability. Whilst the property remains in the financial statements at its written down historic cost (some £3.23m) the trustees recognise that this is on the basis of justifying its value in use, which is likely to exceed the net recoverable value in the event that the Charity was not a going concern and needed to sell the property.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are as follows:

Depreciation is projected to write off the cost of an asset, less its residual value, over its estimated useful economic life. Rates used to project useful economic life are detailed in the depreciation accounting policy.

Income and endowments

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the Charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the Charity before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case-by-case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the Charity.

Grants receivable

Grants are recognised when the Charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

2. Accounting policies (continued)

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- the donor specifies that the grant or donation must only be used in future accounting periods; or
- the donor has imposed performance conditions which must be met before the Charity has unconditional entitlement.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Charity's activities. These costs, which have not been directly apportioned, have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in the relevant note to the financial statements.

Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially 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.

Tangible fixed assets

Individual fixed assets costing £500 or more are initially recorded at cost.

2. Accounting policies (continued)

Depreciation and amortisation

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

Asset class	Depreciation method and rate
Freehold land & buildings	2% straight line
Computer equipment	50% straight line
Fixtures, fittings and equipment (non-medical)	20% straight line
Fixtures, fittings and equipment (medical)	33% straight line

A full year's depreciation is charged in the year an asset is purchased.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

Unrestricted income funds are general funds that are available for use at the Trustees' discretion in furtherance of the objectives of the Charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the Trustees. Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post-retirement obligations

All eligible employees are automatically enrolled into a workplace pension scheme provided by Derwentside Hospice Care Foundation. Some clinical staff are members of the NHS pension scheme. Contributions are charged to the income and expenditure account as they become payable.

2. **Accounting policies (continued)**

Investments
Investments in subsidiaries and associates are measured at cost less impairment.

3. Income from donations and legacies

	Unrestricted funds General	Restricted funds	Total 2022	Total 2021
	£	£	£	£
Donations	117,111	-	**117,111**	**48,234**
Legacies	108,120	-	**108,120**	**50,999**
Gift Aid reclaimed	21,375	-	**21,375**	**17,627**
Grants	50,614	89,063	**139,677**	**339,708**
Regular giving and capital donations	12,389	-	**12,389**	**10,621**
Government Grants - CJRS	548	-	**548**	**86,191**
	310,157	89,063	**399,220**	**553,380**

Included under Grants – Restricted funds (see Note 22) is the funding provided by Hospice UK to sustain this part of the Healthcare sector through the Covid-19 pandemic (£55k: 2021 - £203k), while normal operations were restricted and curtailed.

4. Income from charitable activities

	Unrestricted funds General	Total 2022	Total 2021
	£	£	£
NHS contract	541,738	**541,738**	**556,854**
Additional hospice income	2,850	**2,850**	**45,973**
	544,588	**544,588**	**602,827**

5. Income from other trading activities

	Unrestricted funds General	Total 2022	Total 2021
	£	£	£
Shop income from sale of donated goods and services	181,627	**181,627**	**52,356**
Other events income	39,677	**39,677**	**41,693**
Café income	44,730	**44,730**	**7,348**
Other income	34,017	**34,017**	**38,889**
	300,051	**300,051**	**140,286**

In 2022, Other income includes a settlement of a business interruption claim by our insurers to cover lost revenues and profit (£1,081, from retail activities) because of disruption due to Storm Arwen (2021 - £29,304, pandemic restrictions, largely on retail activities).

6. Expenditure on raising funds

	Unrestricted funds	Restricted funds	Total 2022	Total 2021
	£	£	£	£
Employment costs	109,780	-	**109,780**	**88,822**
Other costs	114,260	-	**114,260**	**56,233**
	224,040	-	**224,040**	**145,055**

7. Expenditure on charitable activities

	Unrestricted funds	Restricted funds	Total 2022	Total 2021
	£	£	£	£
Charitable activity costs	225,559	52,229	**277,788**	**285,935**
Staff costs	648,035	35,788	**683,823**	**621,812**
Loss on disposal of fixed asset	716	-	**716**	**-**
	874,310	88,017	**962,327**	**907,747**

A breakdown of support costs and the basis of calculation can be found at note 8 to the financial statements.

	Activity undertaken directly	Activity support costs	Total 2022	Total 2021
	£	£	£	£
Charitable activity costs	648,210	287,925	**936,135**	**878,613**
Governance costs	-	26,192	**26,192**	**29,134**
	648,210	314,117	**962,327**	**907,747**

In addition to the expenditure analysed above, there are also governance costs of £26,192 (2021 - £29,134) which relate directly to charitable activities. See note 8 for further details.

In the prior year included in Support costs is £1,057 of interest and finance charges.

8. Analysis of support costs

Derwentside Hospice Care Foundation allocates costs direct to activities as far as possible, then identifies the remaining costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the key charitable activities undertaken in the year. Refer to the table below for the basis for apportionment and the analysis of support and governance costs.

Support costs allocated to charitable activities

	Governance costs	Other support costs	Total 2022	Total 2021
	£	£	£	£
Leadership	-	824	**824**	**620**
Finance	-	47,163	**47,163**	**45,767**
Governance – wages & salaries	7,572	-	**7,572**	**7,660**
Human resources	-	6,909	**6,909**	**10,627**
Learning & development	-	5,483	**5,483**	**2,325**
Administration	8,650	19,994	**28,644**	**32,945**
IT services	-	31,292	**31,292**	**39,600**
Legal & professional	9,970	-	**9,970**	**9,767**
Facilities	-	176,260	**176,260**	**162,703**
	26,192	287,925	**314,117**	**312,014**

All support costs to be allocated are apportioned on a staffing cost basis.

Governance costs	Total 2022	Total 2021
	£	£
Audit & accountancy	**6,591**	**5,658**
Legal & professional	**12,029**	**15,816**
Support costs	**7,572**	**7,660**
	26,192	**29,134**

9. Taxation

The charity is a registered charity and is therefore exempt from taxation.

Notes to the Financial Statements for the year-ended 31 March 2022 (continued)

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 from the charity during the year.

11. Staff costs

The aggregate payroll costs were as follows:

	Total 2022	Total 2021
Staff costs during the year were	**£**	**£**
Wages and salaries	**731,371**	**651,043**
Social security costs	**49,318**	**46,685**
Pension costs	**12,915**	**12,906**
	793,603	**710,634**

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

	Total 2022	Total 2021
Management	**3**	**3**
Other staff	**34**	**32**
	37	**35**

No employee received emoluments of more than £60,000 during theyear (2021 – None).

The total employee benefits of the key management personnel of the charity were £142,221 (2021 - £127.386).

12. Auditor's remuneration

	2022 £	2021 £
Audit fee	**7,200**	5,000

13. Tangible fixed assets

	Land and buildings	Furniture and equipment	Total
	£	£	£
Cost			
At 1 April 2021	3,591,014	514,924	4,105,938
Additions	-	12,416	12,416
Disposals	-	(1,385)	(1,385)
At 31 March 2022	**3,591,014**	**525,955**	**4,116,969**
Depreciation			
At 1 April 2021	299,152	424,337	723,489
Charge for year	62,739	48,732	111,471
Disposals	-	(669)	(669)
At 31 March 2022	**361,891**	**472,400**	**834,291**
Net book value			
At 31 March 2022	**3,229,123**	**53,555**	**3,282,678**
At 31 March 2021	3,291,862	90,587	3,382,449

There is a time-bound, legal charge over all buildings, fixtures and fittings and fixed plant and machinery that are situated on or form part of the freehold land and buildings at Howden Bank, Lanchester, Durham which is registered at the Land Registry under Title Number DU328389 and each and every part thereof subject to the encumbrances referred to in the registered title at any time; the proceeds of the sale of any part of the Property and any other monies paid or payable in respect of or in connection with the Property, the benefit of any covenants for title given, or entered into, by any predecessor in title of the Recipient in respect of the Property, and any monies paid or payable in respect of those covenants; and all rights under any licence, agreement for sale or agreement for lease in respect of the Property (see Note 20).

14. Fixed asset investments

	2022	2021
	£	£
Other investments	1	1

	Hazelbrook Specialist Care	Total
	£	£
Cost		
At 1 April 2021	1	1
At 31 March 2022	**1**	**1**
Net book value		
At 31 March 2022	**1**	**1**
At 31 March 2021	1	1

Hazelbrook Specialist Care at Home Ltd (HSCH) is a wholly owned subsidiary trading company of Derwentside Hospice Care Foundation (100% ordinary shares). Hazelbrook Specialist Care at Home Ltd is a dormant entity and as such, consolidated accounts have not been prepared in 2022.

15. Inventory

	2022	2021
	£	£
Inventory	-	1,734

Finished goods stock was purchased for the opening of a new venture, which was subsequently delayed as a result of the restrictions and limitations consequent on the Covid-19 pandemic.

16. Debtors

	2022	2021
	£	£
Trade debtors	**34,481**	**13,236**
Prepayments	**30,386**	**27,081**
Accrued income	**63,118**	**75,475**
VAT recoverable	**7,072**	**9,222**
	135,057	**125,014**

17. Creditors

	2022	2021
	£	£
Trade creditors	**8,667**	**31,715**
Other taxation and social security	**15,404**	**13,410**
Other creditors	**8,361**	**5,218**
Accruals	**21,339**	**26,357**
Deferred income	**1,133**	**2,021**
	54,904	**78,721**
Deferred income at 1 April 2021	**2,021**	**-**
Resources deferred in the period	**1,133**	**2,021**
Amounts released from previous periods	**(2,021)**	**-**
Deferred income at year end	**1,133**	**2,021**

Other creditors includes £497 of inter-company loan, owing to Hazelbrook Specialist Care at Home Limited. This company is currently dormant, and there are no interest or repayment conditions attached to this sum.

18. Obligations under lease and hire purchase contracts

Operating lease commitments

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

	Land & buildings	Other	2022	2021
	£	£	£	£
Within one year	38,289	7,144	**45,433**	**38,651**
Between one and five years	134,248	4,283	**138,531**	**128,044**
Over five years	108,046	-	**108,046**	**56,000**
	280,583	11,427	**292,010**	**222,695**

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 £12,915 (2021 - £12,906).

Contributions included in creditors totalling £7,864 (2021: £4,672) were payable at the end of the period.

20. Contingent liabilities

Included as a restricted reserve is a grant received in 2019 of £1,500,000 from Michael McArdle. Until May 2039 the charity has agreed to meet the conditions of the contract for receiving the grant. Should any of the conditions be breached, then the grant would be repayable. The repayment terms stipulate that this would be a full repayment of the grant in years one to eleven (subject to any decrease in the overall fair value of the Helen McArdle Wing, if lower), with the repayment then reducing by 10% each subsequent year up to year twenty of the agreement.

Included as a restricted reserve in the prior year was £450,000 received from the Social Enterprise Investment Fund (SEIF). Conditions attached to this grant expired on 31 March 2021.

21. Analysis of net assets between funds

	Unrestricted funds General	Designated	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	1,782,678	-	1,500,000	**3,282,678**
Fixed asset investments	1	-	-	**1**
Net current assets	604,660	205,000	18,450	**828,110**
Total net assets	**2,387,339**	**205,000**	**1,518,450**	**4,110,789**

Tangible fixed assets shown between unrestricted and restricted funds are subject to a legal charge as detailed in the fixed asset note and note 22. Further details of the split between funds are given in the contingent liabilities note.

The trustees only consider the fixed assets to be restricted due to the legal charge in place and have therefore capped the value allocated as restricted at the original grant value awarded of £1.5 million.

Comparative analysis	Unrestricted funds General	Designated	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	1,882,449	-	1,500,000	**3,382,449**
Fixed asset investments	1	-	-	**1**
Net current assets	434,368	187,000	49,479	**670,847**
Total net assets	**2,316,818**	**187,000**	**1,549,479**	**4,053,297**

Notes to the Financial Statements for the year-ended 31 March 2022 (continued)

22. Funds

	Balance at 1 April 2021	Incoming resources	Resources expended	Transfers	Balance at 31 March 2022
	£	£	£	£	**£**
Unrestricted funds					
General					
General fund	**2,316,818**	1,154,796	(1,098,350)	14,075	**2,387,339**
Contingent Liabilities	**187,000**	-	-	18,000	**205,000**
Total unrestricted funds	**2,503,818**	1,154,796	(1,098,350)	32,075	**2,592,339**
Restricted funds					
Day Hospice	**5,205**	-	(5,205)	-	**-**
Hospice at Home	**2,135**	-	-	-	**2,135**
Mid-Durham AAP	**9,896**	-	(9,896)	-	**-**
Sir James Knott Trust	**-**	10,000	(10,000)	-	**-**
Derwent Valley AAP	**-**	11,179	(8,492)	-	**2,687**
Hospice UK	**-**	54,742	-	(54,742)	**-**
Other grants less than £10,000	**32,243**	13,142	(23,754)	(8,003)	**13,628**
Michael McArdle	**1,500,000**	-	(30,670)	30,670	**1,500,000**
Total restricted funds	**1,549,479**	89,063	(88,017)	(32,075)	**1,518,450**
Total funds	**4,053,297**	1,243,859	(1,186,367)	-	**4,110,789**

Unrestricted Funds

The Contingent Liabilities' Reserve is a designated fund. It represents funds to cover adverse results and statutory redundancies in the event that the Charity went through a period of difficult trading prior to having to close the business, such that this could be completed in an orderly manner.

Restricted Funds

Day Hospice Fund

Funds restricted for the provision of day hospice services only.

Hospice at Home Fund

Funds restricted for the purpose of setting up and supporting the growth of the hospice at home service. The services delivered through Hazelbrook Specialist Care at Home ceased on 3 December 2017 and these remaining funds will be used to support research into alternative delivery methods of care at home.

Mid-Durham AAP

This was to support the work of the In-patient unit at Willow Burn – Covid Assistance Fund.

Sir James Knott Trust

Funds restricted for the salaries of an RGN and Healthcare Assistant to provide day services to people living at home with a life limiting illness.

Derwent Valley AAP

Derwent Valley AAP funded the overheads and supporting costs for the Children's Bereavement Service for eight months of the financial year 2021/2022.

22. Funds (continued)

Hospice UK
The NHSE awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the COVID-19 situation, and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose.

Michael McArdle
A donation was made in 2019 of £1,450,000 (following an earlier instalment of £50,000) to fund the building of the McArdle Wing. The asset valuation is reduced annually by the depreciation charge incurred on the works and currently stands at £1,410,796 (total cost £1,533,474). Following signature of grant agreements, the donation clawback remains restricted (up to a value of £1,500,000; see Note 20) for a total period of 20 years through to 31 May 2039 when the restriction ends, after which time the remaining asset will be de-restricted and transferred to unrestricted reserves.

Other grants less than £10,000

Other Funds
We would like to acknowledge the generous support received from the following institutions which also supported our work during the year –EDF Energy Langley Wind Farm Community Benefits Fund, Persimmon Homes and Arnold Clark.

Mid-Durham AAP
This funding is to employ a complementary Therapist to deliver therapies to enhance and develop the treatment experience for patients in Day Services, to run from April 2021.

Co-op Community Fund
Contribution to the set-up of the allotment project and provision of Day Services.

Transfers between funds
£32,075 was transferred from restricted to unrestricted funds in the year. This was proportionately to cover expenditure incurred in maintaining the hospice service through the pandemic while other fund-raising avenues were impacted by restrictions.

23. Analysis of movement in net funds

	At 1 April 2021	**Cash flow**	**Other**	**At 31 March 2022**
	£	**£**	**£**	**£**
Cash at bank and in hand	622,820	125,137	-	**747,957**
Net funds	622,820	125,137	-	**747,957**

Comparative analysis	At 1 April 2020	Cash flow	Other	At 31 March 2021
	£	**£**	**£**	**£**
Cash at bank and in hand	286,542	336,368	-	**622,820**
Net funds	286,542	336,368	-	**622,820**

24. Related party transactions

There is nothing to report in respect of related party transactions.

DERWENTSIDE HOSPICE CARE FOUNDATION

England & Wales - Charity number 519659

Accounts

Company registration number: 02263960

Charity registration number: 519659

DERWENTSIDE HOSPICE CARE FOUNDATION

(A company limited by guarantee)

Annual Report & Financial Statements

for the Year ending 31 March 2021

Derwentside Hospice Care Foundation

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Derwentside Hospice Care Foundation

Reference and Administrative Details

Trustees	P Jackson (Chair) R Bennett S E Brent A Britton M Davies Dr T C Kelly M H McArdle L Telford
Key Management Personnel	C Hagri – Clinical Lead D Barker – Director of Operations R Todd – Marketing Communications Manager C P Hewitt – Finance Director
Principal Office	Willowburn Hospice Howden Bank Lanchester Durham DH7 0QS

The charity is incorporated in England and Wales.

Derwentside Hospice Care Foundation

Reference and Administrative Details

Company Registration Number	02263960
Charity Registration Number	519659
Solicitors	Bennett Richmond 23 Front Street Lanchester Durham DH8 5AB
Bankers	Lloyds Bank 1 Victoria Road Consett Durham DH8 5AE CAF Bank Limited Head Office Kings Hill West Malling Kent ME19 4TA
Auditor	MHA Tait Walker Bulman House Regent Centre Gosforth Newcastle-upon-Tyne NE3 3LS

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 2021.

Report from the Chair of the Board

Willow Burn Hospice continues to provide first-class facilities and vital services to the people of Derwentside, delivered by the continued hard work of our dedicated team of employees and volunteers.

The Director of Operations and staff have combined to work towards improving the stability of the charity and further develop the services of Willow Burn for the future. While the COVID-19 pandemic has been disruptive to operations, it has been an opportunity for consolidating some processes and internal workings to strengthen the overall business, ready hopefully, for a return to more normal times The charity has continued to face the challenges of securing the necessary funds, and in so doing has bolstered the marketing and fund-raising capability in house. As I write this, we have recently said goodbye to Kirsty Crozier, and appointed David Barker (who has a wealth of charities' experience in the North East) as our new Director of Operations. Thank you to Kirsty for all her efforts over the last two years, and we wish her well for the future.

Service development has continued to be a priority throughout the duration of the pandemic, both during and outside lockdown situations. We are grateful for the support and encouragement we have received from our local NHS Clinical Commissioning Group who commission four of our six beds to support the people of Derwentside.

The COVID19 pandemic has been a significant impact on our activities in 2019-20, but we continued to operate as full a programme of services as we were able at all times; mindful of the impact on peoples' lives, whether patients, colleagues, friends or clients – on site, in our shops, or at home. The charity continues to work hard to adapt to the future and remains dedicated to serving Derwentside. With continued support from the community we are positive about being able to achieve this objective, and look forward to developing our services with David's help.

Paul Jackson

Chair of the Board of Trustees

Trustees' Report (continued)

Structure, governance and management

Nature of governing document

The organisation is a charitable company limited by guarantee, incorporated on 2 June 1988.

The charitable company was established under a Memorandum of Association that established the objects and powers of the organisation and is governed under its Articles of Association passed by special resolution in January 2013. In the event of the charitable company being wound up, members are required to contribute an amount not exceeding £10.

Recruitment and appointment of trustees

Trustees can be elected or co-opted during the year and their appointment is confirmed at the Annual General Meeting (AGM). At each AGM one third of the Trustees must retire from office. The Trustees to retire by rotation are those who have been longest in office since their last appointment.

The Trustees aim to maintain a balanced skills and knowledge base amongst the Board members by identifying skills shortages when an opening exists for a new member. Representation relevant to the service user group is a key factor given the charity's mission.

The Trustees are required to meet at least four times per year and are currently meeting that target despite the constraints presented by the pandemic. At these meetings members receive detailed management accounts (including cashflow projections and reforecasts) as well as reports on operational activities each month. The Board also receive regular presentations and reports on any major developments or proposals. They participate in the strategic planning process and have ultimate responsibility for approval of the strategic plan. During the pandemic restrictions, meetings have been held virtually, but these along with other processes are now returning to normal.

Induction and training of trustees

New trustees are provided with a proper induction process and pack which details everything they need to know about the charity as well as their responsibilities as a trustee. Briefing papers and familiarisation training are effected for all trustees, as deemed necessary.

Organisational structure

The charity is governed by its board of trustees who are also the appointed directors of the company. The number of trustees at present is eight. The Trustees who served during the year, and were in office up to the signing of this report were;-

P Jackson (Chair)
R Bennett
S E Brent
A Britton
A G Burdon (resigned 8 February 2021)
M Davies
Dr T C Kelly (appointed 2 June 2021)
M H McArdle
L Telford (appointed 2 October 2020)

Sub-Committees

The board of trustees has 4 sub-committees:

- **Finance Sub-Committee** which comprises of two trustees who are independent of the management team. At least one trustee is free from any relationship that in the opinion of the board would interfere with the exercise of independent judgement as members of the group. The responsibility of the group is to provide an effective review process of both current and future performance, against budget and peer group. The group is currently meeting four times a year, with monthly performance reporting continuing between meetings. The focus of the group is to continue to strengthen the charity day-to-day, and develop the long-term future of the organisation, while ensuring fruitful and prudent utilisation of its resources.

- **Governance, HR and Compliance Sub-Committee** which comprises of at least two trustees who are independent of the management team who are free from any relationship that in the opinion of the board would interfere with the exercise of independent judgement as members of the group. At least one member of the group has relevant clinical experience at a senior level, this is currently the Vice-Chair. The group is required to meet at least six times a year. The responsibility of the group is to provide an effective audit mechanism of current and future governance activity and the development of future activity.

- **Community Engagement and Marketing Sub-Committee** which comprises of at least two trustees who are independent of the management team who are free from any relationship that in the opinion of the board would interfere with the exercise of independent judgement as members of the group. At least one member of the group has relevant experience at a senior level, this is currently our Marketing and Communications Manager. The group is required to meet at least six times a year. The responsibility of the group is to provide an effective audit mechanism of current and future governance activity and the development of future activity.

- **Service Quality, Delivery and Development Sub Committee** which comprises of at least two trustees who are independent of the management team who are free from any relationship that in the opinion of the board would interfere with the exercise of independent judgement as members of the group. At least one member of the group has relevant clinical experience at a senior level, this is currently our Clinical Lead and Registered Manager. The group is required to meet at least six times a year. The responsibility of the group is to provide an effective audit mechanism of current and future clinical activity and the development of future strategy.

Day-to-day management

The Director of Operations is responsible for the day-to-day management of the charity's affairs and for implementing the strategy as agreed by the Board. This is done within the boundaries of the budget and various policies and procedures also agreed by the Board. The Director of Operations appraises the Chair of any significant issues that may arise between formal meetings. The Director of Operations is supported by a senior management team that currently consists of the Registered Manager / Clinical Lead, Head of Marketing and Communications together with the Finance Director and Family Support and Bereavement team lead. The management team (including the Director of Operations) hold regular meetings as needed, to address all relevant operational issues.

Objectives and activities

Objects and aims

Derwentside Hospice Care Foundation's objects are to promote the relief of sickness by providing appropriate support to people in the life-limiting phase of their illness and to support the whole family during this time and in bereavement.

Fundraising disclosures

Following the re-structure of the hospice, further ways are being explored as to how the hospice becomes more sustainable and self-sufficient. This will be paramount in the further development of our new strategy given that the new build is now completed and in service.

The charity continues to be a member of the Institute of Fundraising and follows best practice and regulations in all its fundraising activity. No complaints relating to fundraising activities have been received within the reporting period.

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

Clinical and Professional

Willow Burn has in-patient capacity of six beds in the Helen McArdle Wing. Four of which are commissioned by the CCG to provide end-of-life care, symptom management, crisis intervention & respite care. Spot Purchase requests for the additional beds are made for individual need for end-of-life patients. A Contract with CHC has been drawn up for patients who may require longer term funding in a hospice bed (beds 5 and 6) where they are assessed either not suitable for nursing home (they have extended beyond the extended KPI period) or have a unique set of circumstances and 'fit' with the philosophy of hospice care.

Admissions are arranged through professional referrals, and assessed and considered on a priority need basis. All patients and families have access to our family support team to meet their psychological and emotional needs as part of a holistic package of care. The in-patient unit is staffed continuously by one Registered Nurse (RGN) and one Healthcare Assistant (HCA), with additional staffing assessed with dependency and higher occupancy. There is no staffing model designed for the small numbers of patients and staff which matches the unique service at Willow Burn.

During the current year to March 21, the in-patient unit cared for 73 patients, of whom 64 had a cancer diagnosis. Work has continued during the year to improve the admission procedures for referrals to the hospice to reduce the onus on GP workloads. This was also influenced by Covid-19, which expedited the use of virtual consultations and remote working. This continues to be a work in progress into 2021-22, with additional support from the CCG in reviewing and trialling an extended KPI length of stay model.

A range of pandemic factors – cancer services' disruption, hospital non-covid capacities, family lockdowns – mean that occupancy wasn't as high as might have been expected. The CCG provided additional funding in Q4 January to March '21 for beds 5 and 6 following Tier 4 restrictions in anticipation of the need for hospital discharges, which did not eventuate.

The second GPSI session was agreed by the CCG and recruited to with an experienced doctor, and a Consultant SLA was also secured in this reporting period which has enhanced our service with medical review provided now three days a week – Monday, Wednesday and Friday.

Day Centre services continue to meet the needs and wishes of the patients within the philosophy of supporting them to 'live well with their illness'. The service is provided three days a week and is managed with a dedicated RGN and HCA. A 12-week programme of planned activity within a period of attendance is usually offered, and support and sign-posting to other services is undertaken in preparation for discharge or if referrals to the service do not match with our provision. We continue to work with other organisations for reciprocal referrals in and out of services e.g. County Durham Carers.

The day service, actioning telephone consultations as appropriate, supported up to 39 patients through the year. Sixteen new referrals were received from Quarters 2-4 with 31 in service at the end of Q4 and 13 attending each week (some alternate weeks to facilitate numbers attending) with the remainder on phone/virtual support at the end of Q4. Reduced numbers of patients recommenced in Q2 20-21 following suspension of attendance in Q1 with one full clinical day on Friday and two half-day men's and ladies' groups on Thursdays, with additional telephone/Zoom contacts for those choosing not to attend. The Tuesday social drop-in was created to provide self-generating referrals and also support to people living in the community in sign-posting them to services. It was hosted through the Café and in the Sir Tom Cowie Day Centre as restrictions allowed. The music therapy was an additional dimension to the service provided by Nordoff Robbins student placements. The clinical day service is supported by a team of volunteers including those with additional qualifications and talents – crafts, beauty and complementary therapy. The service was adapted to work with restricted numbers of staff and patients with robust risk assessments and procedures in place to maintain a Covid-secure environment. A grant was secured in Q4 to fund a complementary therapist with appointment to the post delayed until Q2 21-22 in order to optimise the provision of the service to the maximum number of patients.

The Family Services and Bereavement support team comprising of a Family Support Co-ordinator, Counsellor, and Young People Bereavement Pathway Worker are supported by a team of 5 volunteer counsellors. The pilot for group sessions trialled successfully in November 2019, to identify referrals into the service suitable for group support, was postponed due to the pandemic. The Children's Bereavement pathway worker achieved the targets outlined in the grant, with provision extended to September 21 following service disruption due to the pandemic. The family support service had 92 clients receiving support or counselling in the service at the start of Q1 when face-to-face appointments were suspended and these were all reviewed in Q2 with the re-commencement of face-to-face appointments supported with robust risk assessments and Covid security measures in place. 62 new referrals were received through Quarters 2-4 and 63 clients were attending for appointments with a very small number of these receiving Zoom/telephone counselling at the end of Q4.

The Family Support Co-ordinator in addition to completing assessments from referrals and allocating to counsellor services also supports all of the in-patients and their families: These are not included in the numbers outlined which only relate to those who are externally referred into the service or generated after in-service episodes of care.

The CDDFT Lymphoedema service hosted at Willow Burn delivering care to Derwentside patients, with clinics held alternate Mondays with the option for additional clinics as demand increases, was suspended due to the pandemic with the intention to resume as restrictions ease and risk assessments are completed.

Financial review

The Statement of Financial Activities (SoFA) shows that gross income increased from £1,202,734 to £1,296,493 and expenditure reduced from £1,178,694 to £1,052,802. This resulted in a surplus of £243,691 (2020: £24,040) which has been allocated to restricted and unrestricted funds as shown in the SoFA.

The Trustees are satisfied with this position at the year-end but recognise that the year was highly unusual, and are keen to, at least, maintain the strength of overall reserves in the future. During the year a designation was made to a Contingent Liabilities' Reserve. This Reserve represents the amount payable by Willow Burn Hospice as statutory redundancy were it required to close, added to the "stretch" targets within the following year budget (financial year to 31 March, 2022) – those items considered to be most demanding for achieving a balanced budget.

Derwentside Hospice Care Foundation has continued to benefit from various grants during the year and the board of trustees gratefully acknowledge this support.

Policy on reserves

The calculation of free reserves is based on the definition included in the charity statement of recommended practice (SORP), which provides recommendations for accounting and reporting for charities. The trustees have examined the requirements of the charity to hold free reserves - those reserves not invested in tangible fixed assets, excluding long term liabilities, or designated for a particular purpose. The Trustees considered it would be appropriate to hold the equivalent of six months operating costs. Given the range of activities undertaken by the charity, a calculation of six months' operating costs comes up with a range of answers depending on the contractual circumstances of the different parts of the business, and how they might be impacted. The range calculated was determined to be between £280,000 and £475,000 (the lower limit looking solely at the Hospice and Care services operating with a limited back office staff, while the upper limit is for the whole business).

At the year end, free reserves were £434,368 (2020: £306,144), an increase of £128,224 in the year and at 91.4% of the upper boundary of the required operating costs' range.

Work continues on ways in which income levels can be sustained and review of expenditure continues to take place to ensure the charity consistently achieves value for money. The Trustee Board is happy to be in the upper quartile of the target range for operating expenses at this juncture, as there is deemed to be considerable uncertainty on how the economy, funding and other financial matters will unfold in the near to medium term. The Senior Management team are aware of the need to provide an efficient service that offers value for money to the community, without losing the emphasis on patient care and safety.

A strategic review of the charity is now completed with a strong strategic plan in place. The Board of Trustees and Senior Management Team will continue their efforts to provide a bright future for Derwentside Hospice Care Foundation, and a valued service for the people of Derwentside.

Key Management Personnel

The Board, who give their time freely and received no remuneration in the year, have considered who the Key Management Personnel (KMP) of the charity are, as noted in the Reference and Administration section. Together with the Board, these KMP are those in charge of directing and controlling, running and operating the activities of the charity on a day-to-day basis. The pay of the KMP is reviewed annually. The Trustees benchmark against pay levels of other charities and similar organisations within the sector and the region. Pay levels are set using this information together with the budget and forecast information, ensuring that the Charity can afford any proposed increases. The Board then agree any uplift to remuneration.

Plans for future periods

Going concern

The charity meets its day-to-day working capital requirements through cash generated from operations. 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 possible changes in trading performance.

In the Trustees' assessment of possible changes they have considered the impact of COVID-19 virus on the charity and its impact on the wider economy.

Having considered the current cash forecasts of the Charity, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing these financial statements.

Financial instruments

Objectives and policies

The Trustees have introduced a formal risk management process to assess business risks and implement risk management strategies. This process involves identifying the types of risks the Charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the Trustees review the adequacy of the Charity's current internal controls and the costs of operating particular controls relative to the benefits obtained. Procedures have been established for reporting failings immediately to appropriate levels of management and to the Trustees.

The Trustees are satisfied that the systems and procedures in place are sufficient to adequately mitigate identified risks to an acceptable level in the Charity's day-to-day operations.

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of MHA Tait Walker as auditors of the Charity is to be proposed at the forthcoming Annual General Meeting.

Statement of Trustees' Responsibilities

The Trustees (who are also the directors of Derwentside Hospice Care Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally-Accepted Accounting Practice) and applicable laws 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:

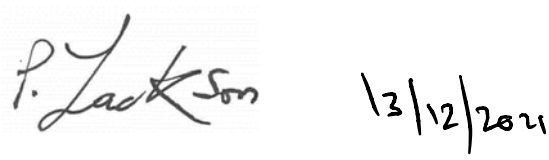
- select suitable accounting policies and apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statement; 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditor

Each trustee has taken steps that they ought to have taken as a trustee 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.

Approved by the trustees of the charity on and signed on its behalf by:



P Jackson – Chair & Trustee

Independent Auditor's Report to the members of Derwentside Hospice Care Foundation

Opinion

We have audited the financial statements of Derwentside Hospice Care Foundation (the 'charity') for the year ended 31 March 2021, 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 2021 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's 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 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.

We have nothing to report in this regard.

Independent Auditor's Report to the members of Derwentside Hospice Care Foundation (continued)

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 company 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 the returns for our audit have not been received from branches not visited by us
- the financial statements are not in agreement with the accounting records and returns
- 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 10, 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's responsibilities for the audit of the financial statements

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

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:

- enquiries with management, about any known or suspected instance 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.

Independent Auditor's Report to the members of Derwentside Hospice Care Foundation (continued)

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; Care Quality Commission; and compliance with both the UK Companies Act and UK 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. 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 MHA Tait Walker
Chartered Accountants and Statutory Auditors
1 Massey Road
Thornaby
Stockton-on-Tees
TS17 6DY

14/12/2021

MHA Tait Walker is a trading name of Tait Walker LLP.

Statement of Financial Activities for the year-ended 31 March 2021 (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds	Restricted funds	Total 2021	Total 2020
		£	£	£	£
Income and Endowments:					
Donations and legacies	3	295,596	257,784	**553,380**	319,430
Charitable Activities	4	602,827	-	**602,827**	621,441
Other trading activities	5	140,286	-	**140,286**	261,863
Total Income		**1,038,709**	**257,784**	**1,296,493**	1,202,734
Expenditure:					
Raising funds	6	(145,055)	-	**(145,055)**	(155,977)
Charitable activities	7	(841,768)	(65,979)	**(907,747)**	(1,022,717)
Total Expenditure		**(986,823)**	**(65,979)**	**(1,052,802)**	(1,178,694)
Net Income/(expenditure)		51,886	191,805	**243,691**	24,040
Transfer between funds		624,394	(624,394)	-	-
		676,280	**(432,589)**	**243,691**	24,040
Reconciliation of funds					
Total funds brought forward		1,827,538	1,982,068	**3,809,606**	3,785,566
Total funds carried forward	21	**2,503,818**	**1,549,479**	**4,053,297**	3,809,606

All of the Charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2020 is shown in note 22.

Comparative period	Note	Unrestricted funds	Restricted funds	Total 2020
		£	£	£
Income and Endowments:				
Donations and legacies	3	254,995	64,435	319,430
Charitable Activities	4	621,441	-	621,441
Other trading activities	5	261,863	-	261,863
Total Income		1,138,299	64,435	1,202,734
Expenditure:				
Raising funds	6	(155,977)	-	(155,977)
Charitable activities	7	(895,522)	(127,195)	(1,022,717)
Total Expenditure		(1,051,499)	(127,195)	(1,178,694)
Net Income/(expenditure)		86,800	(62,760)	24,040
Transfer between funds		(1,382,274)	1,382,274	-
		(1,295,474)	1,319,514	24,040
Reconciliation of funds				
Total funds brought forward		3,123,012	662,554	3,785,566
Total funds carried forward	21	1,827,538	1,982,068	3,809,606

Derwentside Hospice Care Foundation

Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	**13**	**3,382,449**	3,471,393
Investments	**14**	**1**	1
		3,382,450	3,471,394
Current assets			
Inventory	**15**	**1,734**	-
Debtors	**16**	**125,014**	160,336
Cash at bank and in hand		**622,820**	286,542
		749,568	446,878
Creditors: Amounts falling due within one year	**17**	**(78,721)**	(108,666)
Net current assets		**670,847**	338,212
Net assets		**4,053,297**	3,809.606
Funds of the charity:			
Restricted funds		**1,549,479**	1,982,068
Unrestricted income funds			
Designated Reserve		**187,000**	-
Unrestricted Reserve		**2,316,818**	1,827,538
Total funds	**21**	**4,053,297**	3,809,606

The financial statements on pages 14 to 26 were approved by the trustees, and authorised for issue on 13/12/2021 and signed on their behalf by

P Jackson – Chair & Trustee

Derwentside Hospice Care Foundation

Statement of Cash Flows for the year-ended 31 March 2021

	Note	2021	2020
		£	£
Cash flows from operating activities			
Net cash income		243,691	24,040
Adjustments to cash flows from non-cash items			
Depreciation	**13**	110,110	118,260
Interest payable	**7**	1,057	2,708
		354,858	145,008
Working capital adjustments			
(Increase)/decrease in inventory	**15**	(1,734)	-
(Increase)/decrease in debtors	**16**	35,322	(52,956)
Increase/(decrease) in creditors	**17**	(31,966)	(126,326)
Increase/(decrease) in deferred income	**18**	2,021	(8,330)
Net cash flows from operating activities		358,501	**(42,604)**
Cash flows from investing activities			
Purchase of tangible fixed assets	**13**	(21,166)	(60,114)
Disposal of fixed assets		-	75,000
Net cash flows from investing activities		(21,166)	14,886
Cash flows from financing activities			
Interest payable and similar charges	**7**	(1,057)	(2,708)
Net increase/(decrease) in cash and cash equivalents		336,278	(30,426)
Opening cash and cash equivalents at 1 April		286,542	316,968
Cash and cash equivalents at 31 March	**23**	622,820	286,542

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

Notes to the Financial Statements for the year-ended 31 March 2021

1. Charity Status

The Charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the Trustees is liable to contribute an amount not exceeding £10 towards the assets of the Charity in the event of liquidation.

The address of its registered office is Willowburn Hospice, Howden Bank, Lanchester, Durham, DH7 0QS

2. Accounting Policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation
Derwentside Hospice Care Foundation 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 presentation currency of the charitable company is Sterling.

Going concern
The Charity meets its day-to-day working capital requirements through cash generated from operations. 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 possible changes in their performance.

In the Trustees' assessment of possible changes they have considered the impact of the COVID-19 virus on the Charity and have a continuity plan in place should the global economic impact widen.

Having considered the current cash forecasts of the Charity the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing these financial statements. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

2. Accounting policies (continued)

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 judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Assessing indicators of impairment - In assessing whether there have been any indicators of impairment of assets, the trustees have considered both external and internal sources of information such as market conditions and experience of recoverability. Whilst the property remains in the financial statements at its written down historic cost (some £3.29m) the trustees recognise that this is on the basis of justifying its value in use, which is likely to exceed the net recoverable value in the event that the Charity was not a going concern and needed to sell the property.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are as follows:

Depreciation is projected to write off the cost of an asset, less its residual value, over its estimated useful economic life. Rates used to project useful economic life are detailed in the depreciation accounting policy.

Income and endowments

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the Charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the Charity before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case-by-case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the Charity.

Grants receivable

Grants are recognised when the Charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

2. Accounting policies (continued)

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- the donor specifies that the grant or donation must only be used in future accounting periods; or
- the donor has imposed conditions which must be met before the Charity has unconditional entitlement.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Charity's activities. These costs, which have not been directly apportioned, have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in the relevant note to the financial statements.

Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially 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.

Tangible fixed assets

Individual fixed assets costing £500 or more are initially recorded at cost.

2. Accounting policies (continued)

Depreciation and amortisation

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

Asset class	Depreciation method and rate
Freehold land & buildings	2% straight line
Computer equipment	50% straight line
Fixtures, fittings and equipment (non-medical)	20% straight line
Fixtures, fittings and equipment (medical)	33% straight line

A full year's depreciation is charged in the year an asset is purchased.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

Unrestricted income funds are general funds that are available for use at the Trustees' discretion in furtherance of the objectives of the Charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the Trustees.
Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post-retirement obligations

All eligible employees are automatically enrolled into a workplace pension scheme provided by Derwentside Hospice Care Foundation. Some clinical staff are members of the NHS pension scheme. Contributions are charged to the income and expenditure account as they become payable.

2. **Accounting policies (continued)**

Investments
Investments in subsidiaries and associates are measured at cost less impairment.

3. Income from donations and legacies

	Unrestricted funds General	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Donations	48,234	-	**48,234**	103,265
Legacies	50,999	-	**50,999**	51,993
Gift Aid reclaimed	17,627	-	**17,627**	18,777
Grants	81,924	257,784	**339,708**	131,955
Regular giving and capital donations	10,621	-	**10,621**	13,440
Government Grants - CJRS	86,191	-	**86,191**	-
	295,596	257,784	**553,380**	319,430

Included under Grants – Restricted funds (see Note 21) is the funding provided by Hospice UK to sustain this part of the Healthcare sector through the Covid-19 pandemic (£203k), while normal operations were restricted and curtailed.

4. Income from charitable activities

	Unrestricted funds General	Total 2021	Total 2020
	£	£	£
NHS contract	556,854	**556,854**	618,451
Additional hospice income	45,973	**45,973**	2,990
	602,827	**602,827**	621,441

5. Income from other trading activities

	Unrestricted funds General	Total 2021	Total 2020
	£	£	£
Shop income from sale of donated goods and services	52,356	**52,356**	189,126
Other events income	41,693	**41,693**	58,060
Café income	7,348	**7,348**	13,652
Other income	38,889	**38,889**	1,025
	140,286	**140,286**	261,863

In 2021, Other income includes a settlement of a business interruption claim (£29,304) by our insurers to cover lost revenues and profit (principally from the retail activities) because of the pandemic restrictions.

6. Expenditure on raising funds

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Employment costs	88,822	-	**88,822**	88,830
Other costs	56,233	-	**56,233**	67,147
	145,055	-	**145,055**	155,977

7. Expenditure on charitable activities

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Charitable activity costs	244,576	41,359	**285,935**	364,279
Staff costs	597,192	24,620	**621,812**	638,438
Loss on disposal of fixed asset	-	-	**-**	20,000
	841,768	65,979	**907,747**	1,022,717

A breakdown of support costs and the basis of calculation can be found at note 8 to the financial statements.

	Activity undertaken directly	Activity support costs	Total 2021	Total 2020
	£	£	£	£
Charitable activity costs	595,734	282,879	**878,613**	987,122
Governance costs	-	29,134	**29,134**	35,595
	595,734	312,013	**907,747**	1,022,717

In addition to the expenditure analysed above, there are also governance costs of £29,134 (2020 - £35,595) which relate directly to charitable activities. See note 8 for further details.

Included in Support costs is £1,057 of interest and finance charges (2020 - £2,708). £417 relates to loan interest (see note 24) and £640 to instalment financing costs for insurance premiums.

8. Analysis of support costs

Derwentside Hospice Care Foundation allocates costs direct to activities as far as possible, then identifies the remaining costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the key charitable activities undertaken in the year. Refer to the table below for the basis for apportionment and the analysis of support and governance costs.

Support costs allocated to charitable activities

	Governance costs	Other support costs	Total 2021	Total 2020
	£	£	£	£
Leadership	-	620	**620**	730
Finance	-	45,767	**45,767**	69,461
Governance – wages & salaries	7,660	-	**7,660**	6,053
Human resources	-	10,627	**10,627**	22,101
Learning & development	-	2,325	**2,325**	3,942
Administration	11,707	21,238	**32,945**	60,075
IT services	-	39,600	**39,600**	11,001
Legal & professional	9,767	-	**9,767**	8,556
Facilities	-	162,702	**162,702**	217,318
	29,134	282,879	**312,013**	399,237

All support costs to be allocated are apportioned on a staffing cost basis.

Governance costs	Total 2021	Total 2020
	£	£
Audit & accountancy	**5,658**	5,500
Legal & professional	**15,816**	24,042
Support costs	**7,660**	6,053
	29,134	35,595

9. Taxation

The charity is a registered charity and is therefore exempt from taxation.

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 from the charity during the year.

11. Staff costs

The aggregate payroll costs were as follows:

	Total 2021	Total 2020
Staff costs during the year were	**£**	**£**
Wages and salaries	**651,043**	665,213
Social security costs	**46,685**	49,026
Pension costs	**12,906**	13,029
	710,634	727,268

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

	Total 2021	Total 2020
Management	**3**	3
Other staff	**32**	43
	35	46

No employee received emoluments of more than £60,000 during theyear (2020 – None).

The total employee benefits of the key management personnel of the charity were £122,306 (2020 - £115,782).

12. Auditor's remuneration

	2021 £	2020 £
Audit fee	**5,000**	5,600

13. Tangible fixed assets

	Land and buildings	Furniture and equipment	Total
	£	£	£
Cost			
At 1 April 2020	3,586,680	498,092	4,084,772
Additions	4,334	16,832	21,166
Disposals	-	-	-
At 31 March 2021	**3,591,014**	**514,924**	**4,105,938**
Depreciation			
At 1 April 2020	236,238	377,141	613,379
Charge for year	62,914	47,196	110,110
Disposals	-	-	-
At 31 March 2021	**299,152**	**424,337**	**723,489**
Net book value			
At 31 March 2021	**3,291,862**	**90,587**	**3,382,449**
At 31 March 2020	3,350,442	120,951	3,471,393

There is a time-bound, legal charge over all buildings, fixtures and fittings and fixed plant and machinery that are situated on or form part of the freehold land and buildings at Howden Bank, Lanchester, Durham which is registered at the Land Registry under Title Number DU328389 and each and every part thereof subject to the encumbrances referred to in the registered title at any time; the proceeds of the sale of any part of the Property and any other monies paid or payable in respect of or in connection with the Property, the benefit of any covenants for title given, or entered into, by any predecessor in title of the Recipient in respect of the Property, and any monies paid or payable in respect of those covenants; and all rights under any licence, agreement for sale or agreement for lease in respect of the Property.

14. Fixed asset investments

	2021	2020
	£	£
Other investments	1	1

	Hazelbrook Specialist Care	Total
	£	£
Cost or Valuation		
At 1 April 2020	1	1
At 31 March 2021	**1**	**1**
Net book value		
At 31 March 2021	**1**	**1**
At 31 March 2020	1	1

Hazelbrook Specialist Care at Home Ltd (HSCH) is a wholly owned subsidiary trading company of Derwentside Hospice Care Foundation (100% ordinary shares). Hazelbrook Specialist Care at Home Ltd is a dormant entity and as such, consolidated accounts have not been prepared in 2021.

15. Inventory

	2021	2020
	£	£
Inventory	**1,734**	-

Finished goods stock was purchased for the opening of a new venture, which was subsequently delayed as a result of the restrictions and limitations consequent on the Covid-19 pandemic.

16. Debtors

	2021	2020
	£	£
Trade debtors	**13,236**	87,567
Prepayments	**27,081**	14,736
Accrued income	**75,475**	51,041
VAT recoverable	**9,222**	6,992
	125,014	160,336

17. Creditors

	2021	2020
	£	£
Trade creditors	**31,715**	20,581
Other taxation and social security	**13,410**	13,795
Other creditors	**5,218**	55,019
Accruals	**26,357**	19,271
Deferred income	**2,021**	-
	78,721	108,666

Deferred income at 1 April 2020	**-**	8,330
Resources deferred in the period	**2,021**	-
Amounts released from previous periods	**-**	(8,330)
Deferred income at year end	**2,021**	-

In the prior year other creditors included a loan of £50,000 from Mr Paul Jackson, a Trustee of the charity. This loan attracted interest of 5% per annum and was repaid in April 2020.

Other creditors includes £497 of inter-company loan, owing to Hazelbrook Specialist Care at Home Limited. This company is currently dormant, and there are no interest or repayment conditions attached to this sum.

18. Obligations under lease and hire purchase contracts

Operating lease commitments

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

	Land & buildings	Other	2021	2020
	£	£	£	£
Within one year	31,625	7,026	**38,651**	3,169
Between one and five years	117,625	10,419	**128,044**	350
Over five years	56,000	-	**56,000**	-
	205,250	17,445	**222,695**	3,519

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 £12,906 (2020 - £13,029).

20. Contingent liabilities

Included as a restricted reserve is a grant received in 2019 of £1,500,000 from Michael McArdle. Until May 2039 the charity has agreed to meet the conditions of the contract for receiving the grant. Should any of the conditions be breached, then the grant would be repayable. The repayment terms stipulate that this would be a full repayment of the grant in years one to eleven (subject to any decrease in the overall fair value of the Helen McArdle Wing, if lower), with the repayment then reducing by 10% each subsequent year up to year twenty of the agreement.

Included as a restricted reserve in the prior year was £450,000 received from the Social Enterprise Investment Fund (SEIF). Conditions attached to this grant expired on 31 March 2021.

21. Analysis of net assets between funds

	Unrestricted funds		Restricted funds	Total funds
	General	Designated		
	£	£	£	£
Tangible fixed assets	1,882,449	-	1,500,000	**3,382,449**
Fixed asset investments	1	-	-	**1**
Net current assets/(liabilities)	434,368	187,000	49,479	**670,847**
Total net assets	**2,316,818**	**187,000**	**1,549,479**	**4,053,297**

Tangible fixed assets shown between unrestricted and restricted funds are subject to a legal charge as detailed in the fixed asset note and note 22. Further details of the split between funds are given in the contingent liabilities note.

The trustees only consider the fixed assets to be restricted due to the legal charge in place and have therefore capped the value allocated as restricted at the original grant value awarded of £1.5 million.

Comparative analysis	Unrestricted funds	Restricted funds	Total funds at 31 March 2020
	General		
	£	£	£
Tangible fixed assets	1,521,393	1,950,000	3,471,393
Fixed asset investments	1	-	1
Net current assets/(liabilities)	306,144	32,068	338,212
Total net assets	1,827,538	1,982,068	3,809,606

Notes to the Financial Statements for the year-ended 31 March 2021 (continued)

22. Funds

	Balance at 1 April 2020	Incoming resources	Resources expended	Transfers	Balance at 31 March 2021
	£	£	£	£	**£**
Unrestricted funds					
General					
General fund	1,827,538	1,038,709	(986,823)	437,394	**2,316,818**
Contingency fund	-	-	-	187,000	**187,000**
Total unrestricted funds	1,827,538	1,038,709	(986,823)	624,394	**2,503,818**
Restricted funds					
Day Hospice	4,805	400	-	-	**5,205**
Social Fund	450,000	-	-	(450,000)	**-**
Hospice at Home	2,135	-	-	-	**2,135**
North Star Ventures	7,617	-	(5,392)	(2,225)	**-**
CAF Resilience Fund	-	18,644	(18,644)	-	**-**
Durham AAP		10,000	(104)	-	**9,896**
Hospice UK	-	202,955	-	(202,955)	**-**
Other grants less than £10,000	17,511	25,785	(10,996)	(57)	**32,243**
Michael McArdle	1,500,000	-	(30,843)	30,843	**1,500,000**
Total restricted funds	1,982,068	257,784	(65,979)	(624,394)	**1,549,479**
Total funds	3,809,606	1,296,493	(1,052,802)	-	**4,053,297**

Day Hospice Fund
Funds restricted for the provision of day hospice services only.

Social Fund
A grant received from the Social Enterprise Investment Fund to fund the purchase of the land that the hospice is situated on. The land was purchased in 2011 and included covenants which expired on 31 March 2021.

Hospice at Home Fund
Funds restricted for the purpose of setting up and supporting the growth of the hospice at home service. The services delivered through Hazelbrook Specialist Care at Home ceased on 3 December 2017 and these remaining funds will be used to support research into alternative delivery methods of care at home.

CAF Resilience Fund
A grant towards the salary and overhead costs of our Family Support and Bereavement Service and Day Service well-being calls between October 2020 and March 2021.

Mid-Durham AAP
Funding from the Mid-Durham AAP Area and Neighbourhood budgets to contribute to the on-going overheads associated with running the Hospice (utilities and insurance costs) for May to July 2021.

Hospice UK
The NHSE awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the COVID-19 situation, and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose.

22. Funds (continued)

Michael McArdle
A donation was made in 2019 of £1,450,000 (following an earlier instalment of £50,000) to fund the building of the McArdle Wing. The asset valuation is reduced annually by the depreciation charge incurred on the works and currently stands at £1,441,466 (total cost £1,533,474). Following signature of grant agreements, the donation clawback remains restricted (up to a value of £1,500,000; see Note 20) for a total period of 20 years through to 31 May 2039 when the restriction ends, after which time the remaining asset will be de-restricted and transferred to unrestricted reserves.

Other grants less than £10,000

NorthStar Ventures
Funds restricted to upgrade the IT systems to enable the use of SystmOne, a digital care management system.

Persimmon Homes
Funds were provided to support the continuation of our Children's Bereavement Services from April 2021.

Durham AAP
This funding is to employ a complementary Therapist to deliver therapies to enhance and develop the treatment experience for patients in Day Services, to run from April 2021.

Co-op Community Fund
Contribution to the set-up of the allotment project and provision of Day Services.

Durham Freemasons
For the purchase of a summer house and equipment to set up The Potting Shed Gift Shop in the Willow Burn Hospice gardens.

JGW Patterson Foundation
Restricted grant to purchase six recliner chairs for the Helen McArdle Wing bedrooms and two syringe drivers.

England Woodlands
Restricted grant for the development of the Willow Burn Hospice woodland areas.

National Lottery Community Fund
Restricted grant to fund the volunteer service for the gardens and café at Willow Burn Hospice.

Mid-Durham AAP Small Grants Fund
To purchase equipment for the Willow Burn Hospice Day Services.

Transfers between funds
£624,394 was transferred from restricted to unrestricted funds in the year. This was proportionately to cover expenditure incurred in maintaining the hospice service through the pandemic while other fund-raising avenues were impacted by restrictions, and the expiry of the restrictions on the SEIF funds provided in 2011.

23. Analysis of movement in net funds

	At 1 April 2020	Cash flow		At 31 March 2021
	£	£	£	£
Cash at bank and in hand	286,542	336,368	-	**622,820**
Net funds	286,542	336,368	-	**622,820**

Comparative analysis	At 1 April 2019	Cash flow		At 31 March 2020
	£	£	£	£
Cash at bank and in hand	316,968	(30,426)	-	286,542
Net funds	316,968	(30,426)	-	286,542

24. Related party transactions

An interest-bearing loan of £50,000 was made to Derwentside Hospice Care Foundation by Mr P Jackson, a Trustee of the Charity, in December 2017. This loan was fully repaid along with interest of £417 in the prior year.

In the prior year a loan of £85,000 was made to Derwentside Hospice Care Foundation by Mr M H McArdle, a Trustee of the Charity. This loan was interest free and was fully repaid, also during the prior year.