

Company registration number: 02263960

Charity registration number: 519659



(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.

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 vision 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

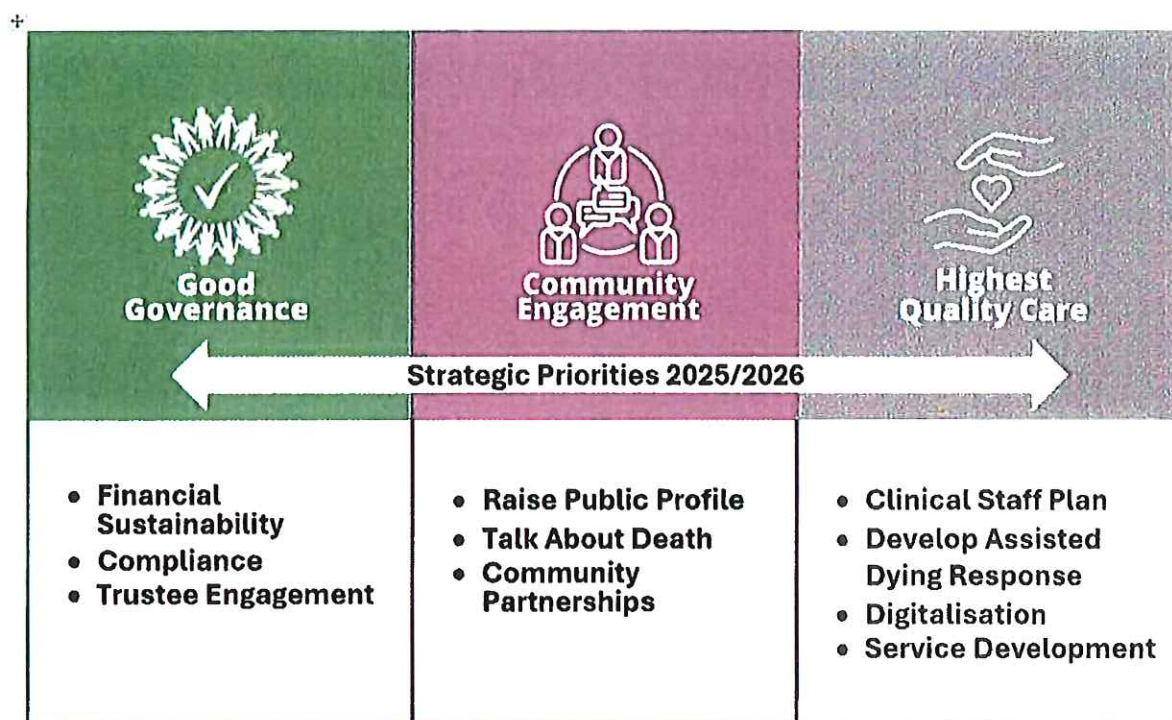
The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

The Mission, Vision & 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	<p>Caring: We put care, compassion and dignity at the heart of everything we do.</p> <p>Aspiring: We are passionate about delivering services of the highest standard.</p> <p>Responsible: We are a responsible organisation that people can trust.</p> <p>Empowering: We support and enable people to make the choices that matter to them.</p>

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".

Derwentside Hospice Care Foundation

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:

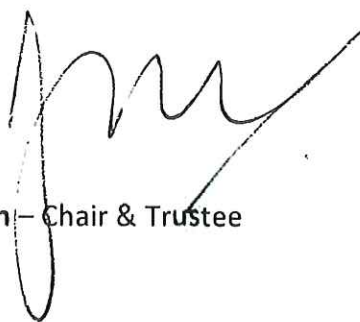
- select suitable accounting policies and apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed 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:

A handwritten signature in black ink, appearing to be 'J Robinson', written over a horizontal line.

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

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

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.



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		<u>1,961,432</u>	<u>82,820</u>	<u>2,044,252</u>	<u>1,614,220</u>
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		<u>(1,502,179)</u>	<u>(50,000)</u>	<u>(1,552,179)</u>	<u>(1,387,068)</u>
Net Income		<u>459,253</u>	<u>32,820</u>	<u>492,073</u>	<u>227,152</u>
Unrealised gains on Investment	6	(24,844)	-	(24,844)	-
Transfer between funds		32,820	(32,820)	-	-
		<u>467,229</u>	<u>-</u>	<u>467,229</u>	<u>227,152</u>
Reconciliation of funds					
Total funds brought forward		2,999,756	1,500,000	4,499,756	4,272,604
Total funds carried forward	22	<u>3,466,985</u>	<u>1,500,000</u>	<u>4,966,985</u>	<u>4,499,756</u>

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		<u>1,535,536</u>	<u>78,684</u>	<u>1,614,220</u>
Expenditure:				
Raising funds	6	(341,337)	-	(341,337)
Charitable activities	7	(983,618)	(62,113)	(1,045,731)
Total Expenditure		<u>(1,324,955)</u>	<u>(62,113)</u>	<u>(1,387,068)</u>
Net Income		<u>210,581</u>	<u>16,571</u>	<u>227,152</u>
Transfer between funds		20,000	(20,000)	-
		<u>230,581</u>	<u>(3,429)</u>	<u>227,152</u>
Reconciliation of funds				
Total funds brought forward		2,769,175	1,503,429	4,272,604
Total funds carried forward	23	<u>2,999,756</u>	<u>1,500,000</u>	<u>4,499,756</u>

Derwentside Hospice Care Foundation

Balance Sheet for the year-ended 31 March 2025

		2025	2024
	Note	£	£
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
		<u>4,181,971</u>	<u>4,012,573</u>
Current assets			
Debtors	17	218,106	101,033
Cash at bank and in hand		689,301	460,955
		<u>907,407</u>	<u>561,988</u>
Creditors: Amounts falling due within one year	18	(122,393)	(74,805)
Net current assets		<u>785,014</u>	<u>487,183</u>
Net assets		<u>4,966,985</u>	<u>4,499,756</u>
 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	<u>4,966,985</u>	<u>4,499,756</u>

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

Derwentside Hospice Care Foundation

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

		2025	2024
	Note	£	£
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)
		<u>586,856</u>	<u>219,477</u>
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		<u>517,371</u>	<u>353,812</u>
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		<u>(289,025)</u>	<u>(182,223)</u>
Cash flows from financing activities			
Interest payable and similar charges		-	-
Net increase in cash and cash equivalents		<u>228,346</u>	<u>153,589</u>
Opening cash and cash equivalents at 1 April		<u>460,955</u>	<u>307,366</u>
Cash and cash equivalents at 31 March	24	<u>689,301</u>	<u>460,955</u>

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
	<u>789,225</u>	<u>82,820</u>	<u>872,045</u>	<u>432,165</u>

4. Income from charitable activities

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

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
	<u>517,370</u>	<u>481,355</u>

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
	<u>349,183</u>	<u>341,337</u>

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
	<u>1,152,996</u>	<u>50,000</u>	<u>1,202,996</u>	<u>1,045,731</u>

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
	<u>9,000</u>	<u>233,794</u>	<u>242,794</u>	<u>216,644</u>

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
	<u>1,033,115</u>	<u>938,217</u>

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
	<u>52</u>	<u>50</u>

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	<u>10,000</u>	<u>8,500</u>

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	<u>1</u>	<u>1</u>
	Hazelbrook Specialist Care	Total
	£	£
Cost		
At 1 April 2024	<u>1</u>	<u>1</u>
At 31 March 2025	<u>1</u>	<u>1</u>
Net book value		
At 31 March 2025	<u>1</u>	<u>1</u>
At 31 March 2024	<u>1</u>	<u>1</u>

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	<u>997,941</u>	<u>822,785</u>

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
	<u>218,106</u>	<u>101,033</u>

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
	<u>122,393</u>	<u>74,805</u>
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	<u>17,366</u>	<u>3,955</u>

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
	<u>148,584</u>	<u>4,513</u>	<u>153,097</u>	<u>208,901</u>

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		Restricted funds	Total funds
	General	Designated		
	£	£	£	£
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		Restricted funds	Total funds
	General	Designated		
	£	£	£	£
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 £50,000 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	<u>2,769,175</u>	<u>1,535,536</u>	<u>(1,324,955)</u>	<u>20,000</u>	<u>2,999,756</u>
Restricted funds					
NHS (NENC) & ICB	3,429	-	(3,429)	-	-
Hospice UK (re Carers)	-	7,084	(7,084)	-	-
Hospice UK Solar	-	20,000	-	(20,000)	-
Panels					
Julia & Hans Rausing	-	50,000	(50,000)	-	-
Trust					
Co Durham	-	1,600	(1,600)	-	-
Community Fund					
Michael McArdle	1,500,000	-	-	-	1,500,000
Total restricted funds	<u>1,503,429</u>	<u>78,684</u>	<u>(62,113)</u>	<u>(20,000)</u>	<u>1,500,000</u>
Total funds	<u><u>4,272,604</u></u>	<u><u>1,614,220</u></u>	<u><u>(1,387,068)</u></u>	<u><u>-</u></u>	<u><u>4,499,756</u></u>

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	<u>460,955</u>	<u>228,346</u>	<u>689,301</u>

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	<u>307,366</u>	<u>153,589</u>	<u>460,955</u>

25. Related party transactions

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