

Charity registration number 1103635

Company registration number 04925273 (England and Wales)

**THE NORTH NORTHUMBERLAND HOSPICE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

# THE NORTH NORTHUMBERLAND HOSPICE

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Patron</b>	The Lady Joicey	
<b>Trustees</b>	Mrs E C Beauchamp Mrs L H M Carroll Mrs L Clark Mr J Cooke MBE  Mrs J Raine Mrs S E Sherrard Mrs D Trafford Dr M J Torkington Sir A W Craft	(Appointed 30 May 2022)  (Appointed 15 May 2023) (Appointed 20 September 2022)  (Appointed 15 May 2023)  (Appointed 18 July 2022) (Appointed 17 July 2023) (Appointed 17 July 2023)
<b>Key management personnel</b>	M Thornicroft, CEO C Orife, Head of Care N Brereton, Interim Head of Finance D Hart, Head of Income Generation E McKay, Operations Manager	
<b>Charity number</b>	1103635	
<b>Company number</b>	04925273	
<b>Registered office</b>	Unit 3 Willowburn Avenue Alnwick Northumberland NE66 2DG	
<b>Auditor</b>	Saint & Co. Sterling House Wavell Drive Rosehill Carlisle CA1 2SA	
<b>Bankers</b>	HSBC 110 Grey Street Newcastle Upon Tyne NE1 6JG	

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# THE NORTH NORTHUMBERLAND HOSPICE

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# THE NORTH NORTHUMBERLAND HOSPICE

## CHAIRPERSON'S REPORT

### FOR THE YEAR ENDED 31 MARCH 2023

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Welcome to our Annual Report for the year ending March 2023 and as you read in the Trustees' Report the year has been marked by the strengthening of many aspects of HospiceCare North Northumberland in preparation for a new strategic direction for 2024 – 2027.

Our services are free at the point of need, which means no one will pay for our team's palliative care and support.

Our Values are at the heart of what we do and underpin what the trustees, all staff, and volunteers do throughout the organisation, as seen in this Annual Report with our Caring, Collaborative, Communicative, Innovative and Can-Do attitude. The Trustees remind themselves regularly why we exist, and we question, challenge, and aim to govern effectively. We strive to do the best we can to ensure we give the best support to the dying and their families.

The demand for our Hospice at Home Caring service continues to increase, and during the year, we have strengthened our nursing workforce and recruited additional nursing staff and resources. During the year the total number of patients supported by the Nursing Team amounted to 54. Our Dementia Support Services supported 397 people at football and café sessions. The Family Support Service supported a total of 247 people at café sessions and with 1 to 1 support. Meeting this increased demand comes at a cost. On top of this, HospiceCare has experienced the effects of the rising cost of living over the last year, which increases our running costs, such as staff and energy costs, to keep our hospice functioning. The pressures on the cost of living also mean that it's harder for us to fundraise, as donors in our community have less money to give. We need to raise over £1 million annually, and with the NHS only funding 4% of this income, the rest we have to find from donations, fundraising, legacies, trusts, and our charity shops.

All of this gives HospiceCare financial challenges as we move into 2023-24, and the trustee's strategic direction and thinking will include looking at new ways of collaboration, increasing and diversifying our fundraising efforts, increasing our retail operation, and more ways of nurturing and working with our ever-increasing number of volunteers.

Innovation will only truly flourish within partnership working, and this has begun with our collaborative work with Tynedale Hospice At Home (THH). Mike Thornicroft joined us from THH as our interim Chief Executive in May 2022, along with Chris Orife as Head of Care, and both are now in permanent posts with HCNN. They have been instrumental in navigating HospiceCare through a favourable period of change by embedding a new Senior Management Team and leading the way forward for all our staff and volunteers. There has been shared training and learning which has benefited all our workforces.

We would particularly like to thank Mike and Chris for their hard work in supporting our aspirational vision for HospiceCare to provide excellent palliative care in our communities and work alongside our healthcare partners in our communities. This partnership with Tynedale can lead to broader strategic thinking for palliative care across Northumberland.

Trustees have addressed the diversity of their Board and the charity's leadership and effectiveness with an audit of trustee skills, experience, and diversity of background of its members, and we have recruited new trustees who bring a wealth of knowledge. We have ongoing work to improve the diversity. Risk Registers are now a regular feature in the Trustee committees and the Board meetings. Further improvements to the Board's consideration of risk will always be a priority.

The Charity Governance Code encourages charities to have an annual review of governance and an external review every three years. The trustees commissioned an external Board Review in February 2023, with completion in July 2023. We were pleased that the result stated that the Board of Trustees is currently effective with no urgent or acute issues but gave valuable direction to strengthen the Board to help develop and progress. Trustees and the Senior Management Team have begun to map out a plan to complete this work. Work has already started to prepare for the completion of the following 3-year strategic objectives with an aligned financial strategy to begin in 2024 - 2027.

We will communicate and consult widely and agree on strategic objectives and values that aim to achieve HCNN's charitable purposes moving into the future.

On behalf of all the Trustees thank you to our dedicated Senior Management Team, all staff, and volunteers who make HospiceCare the wonderful charity it is today.

# THE NORTH NORTHUMBERLAND HOSPICE

## CHAIRPERSON'S REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 MARCH 2023*

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We appreciate that times are tough for many at the moment with money being tight, and we extend a sincere and huge thank you to all those who support us financially alongside the NHS; this includes our donors, Trusts, Ambassadors, friends, fundraisers, charity shop customers and those people who remember us in their Wills. This kindness and commitment is how we carry out our mission to deliver palliative end-of-life care in our communities.

Thank you for sharing our passion, commitment, and drive for high-quality end-of-life care.

.....  
Lucy Carroll  
**Chairperson**

**THE NORTH NORTHUMBERLAND HOSPICE**  
**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**  
***FOR THE YEAR ENDED 31 MARCH 2023***

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The trustees, who are also directors for the purposes of company law, present their annual report and financial statements for the year ended 31 March 2023.

**Objectives and activities**

***Objects and aims***

Founded in 1995, the Hospice provides palliative care to people who have life limiting illnesses. We address their physical, emotional, social and psychological needs, enhancing their quality of life while at the same time supporting their carers and families.

The Hospice objects are:

- The care and relief of persons suffering from a potentially life-limiting illness, the support of carers and the bereaved, all in such ways as the Trustees shall from time to time think fit, and primarily in North Northumberland.
- The provision in the interest of social welfare of recreational facilities for such persons.

The Hospice operates from two sites, Alnwick and Berwick-upon-Tweed, to accommodate the largely rural and sparsely populated area of North Northumberland. Patient choice and their individual needs determine where HospiceCare services are delivered, whether at home or in the Hospice building. The Hospice adopts a holistic approach to patients and families, offering services and interventions of care and support which are flexible and tailored to meeting their needs.

We are caring, we pursue excellence, we innovate, we collaborate, we communicate, and we adopt a can-do attitude. We are HospiceCare North Northumberland.

The trustees regularly review our objectives, aims and activities, looking at the number of people we reach, the type and extent of services we provide, and the benefits we bring to our patients and their families. Palliative care is a continually developing field, and we respond by expanding our services to achieve the best possible outcome in each patient's circumstances. We have considered the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims.

***Fundraising disclosures***

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

***Public benefit***

The 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 NORTH NORTHUMBERLAND HOSPICE

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### Achievements and performance

#### Review of Activities and the Public Benefit

At the end of the financial reporting period, we provided the following operational services for the public benefit.

#### **Nursing - Hospice at Home Service**

Our nursing team works with the Primary Care Network team of GPs, Community Nurses, Macmillan Nurses, and allied health professionals across North Northumberland to provide nursing care to beneficiaries on the Palliative Care register and who are nearing end of life. Our Hospice Registered Nurses:

- administer medication in response to symptom management
- offer advice and support to those suffering life-limiting illnesses and their carers
- assist with Advance Care planning if desired.

We deliver nursing care in the patient's home to adults aged 18 years and over who are at End of Life. We employ a team of Registered Nurse and Hospice Support Workers to support patients 356 days a year 24 hours a day. We adhere to current infection prevention guidelines and legislation regarding COVID-19, adapt our PPE policies and procedures to reflect this.

The CEO and Head of Care from Tynedale Hospice at Home provided management support from May 2022, initially on an Interim basis, but this has become a long-term commitment. During the year they and Trustees have continued to implement the recommendations from the external clinical review, and in order to complete this the nursing services were paused from May 22 to July 22 which ensured compliance with relevant legislation. *During the reporting period, we delivered 3,494 hours of nursing hours of care and support and supported 82 people at the End of Life.*

#### **Dementia Café Alnwick & Berwick Wellbeing Centres.**

Our service supports people living with dementia and their carer(s). It allows social engagement, advice and support from our Dementia Support worker. Services include Dementia Cafés, Walking Football, and client visits. The cafes are run regularly at our Wellbeing Centres in Alnwick and Berwick. We delivered Dementia services (Football and Dementia cafés) to 112 attendees.

#### **Family/Bereavement Support Service**

We provide an active listening and support service for those who have experienced bereavement or pre-bereavement. We offer support for those caring for loved ones with a life-limiting illness, and our trained volunteers understand the feelings of grief and loss associated with bereavement. We supported 159 people who came to us for emotional support, pre and post bereavement, in our Bereavement cafés and during 1-1 sessions. Our Family Support Coordinator is currently undertaking training to extend the current service to provide counselling.

NURSING CARE	2022/23	2021/22
Total number of patients supported by the care service	54	110
Total new referrals	48	85
Total hours of care provided	2166	2900

DEMENTIA SUPPORT	2022/23	2021/22
Number of new referrals	26	15
Dementia Football (total participants)	259	76
Dementia café Alnwick (total visitors)	118	202
Dementia café Berwick (total visitors)	20	7

FAMILY SUPPORT	2022/23	2021/22
Number of new referrals	75	47
Cumulative clients supported	247	52
Bereavement café Alnwick (visitors)	123	14
Bereavement café Berwick (visitors)	76	5

# THE NORTH NORTHUMBERLAND HOSPICE

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2023**

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### **Fundraising**

We need to raise over £1 million annually to continue to provide our current level of care in the community, and the NHS fund only 4% of this income. The remainder we have to find from donations, fundraising, legacies, trusts and our charity shops.

### ***Donations***

We were delighted to be chosen by NFU Mutual to be nominated to receive a large sum from their Community Foundation. The Red Lion in Alnmouth also chose us again for their annual Beer Festival. We took part in the Big Christmas Campaign for a 2<sup>nd</sup> year – doubling our target from 2021/2022 and exceeding it in the live week, with the largest donation being £10,000. Our engagement with the communities through formal Talks, and fundraising events have returned to normal after the COVID-19 restrictions. They are essential communications to help people understand how important their donations are for the delivery of the care.

### ***Events and Community Fundraising***

Our Joy of Christmas Fair had been so successful that, for its 10th Anniversary in 2022, we sold out the whole 2 days of exhibitors. Golf days have also continued to be successful for the charity with us hosting another in Wooler.

### ***Recruitment***

Whilst recruitment was happening for a Community and Events Fundraiser and a Head of Income Generation, there was re-delegation of event and campaign planning amongst the team. An appointment for a Fundraiser was made in August 2022 and the Head of Income Generation in December 2022. Our existing Events and Community Fundraiser completed her IOF Certificate in Fundraising and was appointed as Fundraising Manager initially on an interim basis, but then permanently.

### ***Analytics and looking forward***

From January 2023- March 2023 time was spent defining procedures reports and trialling new platforms with our Supporter Care colleague and Fundraising Administrator.

From April 1st 2022- March 31st 2023 there were 1,033 new donors added to our database, of which 910 were individual contacts who had donated or attended events and 1/3 of them have opted into our monthly e-newsletter.

Looking forward we learn and improve through the review and analysis of events, this ensures efficient and effective planning for the year ahead.

### ***Volunteers***

The Fundraising Manager and Fundraising Administrator completed an audit of Fundraising volunteers. Reviewing the roles we required, skills of our current volunteers and the areas where we need to target recruitment. We identified opportunities for High School students, work experience students, van drivers and volunteers to help set up and clear down events as well as those who can attend local shows on our behalf.

### **Retail**

This financial year saw combined income from our shops in Amble, Berwick and Wooler of around £270,000 return to March 2020, pre-Lockdown, levels. December saw the launch of an E-Commerce retail operation to capitalise on the growing trend for online purchasing. We anticipate a healthy growth in this income stream in the coming months and years. Plans are afoot to expand our retail estate when suitable outlets become available in key locations, including the introduction of dedicated furniture stores where viable.



# THE NORTH NORTHUMBERLAND HOSPICE

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### **Our People**

#### ***Our Staff***

The trustees recognise the commitment and hard work that the entire staff and volunteer team have shown during the year. The strong leadership from the Senior Management Team has provided a period of stability and a solid platform for the Hospice to progress. Our Income Generation Team continued to work tirelessly to encourage our community to support the hospice throughout the year; our People and Finance teams ensured all the systems within the hospice operated as effectively and efficiently as they possibly could. Our unreserved thanks go to all the team.

#### ***Our volunteers***

We are fortunate to have approximately 170 enthusiastic and committed volunteers who contribute many hours of their time. They support the organisation with bereavement support, at wellbeing cafes, fundraising events, retail shops, administrative work, helping at events, drivers, and the Castleside Crafters. We could not survive without the kind generosity of those who give their skills and time at no charge to the hospice. Our gratitude to this group of individuals is immeasurable.

Our annual Volunteer Awards ceremony was held in October 2022, and was developed to show appreciation and recognition for those staff and volunteers who have provided long service to HCNN. Awards are given in increments of 5 years; however, volunteers also receive an award after 1 year of volunteering.

#### ***Our donors***

Our community continued to support the hospice with generous donations of clothing and other pre-loved items for our shops and with financial contributions towards our running costs.

We need to raise approximately £1,000,000 annually to provide our current level of care in the community, and the NHS fund less than 4% of this income. This fact is a challenge and can only be achieved with the support of the wonderful people of North Northumberland and their support for the essential work that the hospice does to provide support to people at the times when they need it most.

#### ***Key Management Personnel***

The board, who give their time freely and no trustees received remuneration in the year, have considered who the Key Management Personnel (KMP) of the charity, 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 and normally increased in accordance with average earnings. 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.

# THE NORTH NORTHUMBERLAND HOSPICE

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2023**

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### **Financial review**

This was the first 'post COVID-19' year of operations following the disruption to our fundraising and income generation in the previous two years. There were also significant changes in personnel at the Hospice with a new leadership team coming into place through the year.

Our total income fell by £239,983 to £808,036 and we had a net deficit of £90,703 compared to a net surplus in 2021-22 of £99,232.

Our fundraising events saw a small fall in income reflecting the impact of the pandemic particularly on sponsored events. Trust income fell by £54,900 to £72,200. We received £65,057 in 2021-22 in grants related to the pandemic which were not available during the reporting year. And we recognised a large legacy in 2021-22 which was valued at £180,000. The value of this legacy was increased to £281,804 in the 2022-23 accounts, but overall legacies income fell by £162,095 to £103,351.

Our shops income increased by £27,751 to £269,896 reflecting our continued support within the local community and a successful 'bounce back' from two years of disrupted trading during the pandemic.

Income from the NHS increased slightly to £43,070 and income from investments was comparable with the previous year.

Our total expenditure decreased due to unfilled staff vacancies during the year and a pause in clinical services. This is reflected as a decrease in expenditure from £948,787 in 2022 to £898,739 in 2023.

Our expenditure on Clinical services increased from £600,907 in 2022 to £613,894 in 2023 and includes all the costs associated with delivering our charitable services.

The charity's total funds decreased from £1,130,145 to £1,039,442 at 31 March 2023, of which £1,021,650 was unrestricted.

During the year we have made significant changes to our staffing structure, bringing in a Head of Income Generation and an Operations Manager to streamline and improve our operational activities. There has been investment in technology and new processes within our retail and fundraising operations, including collecting gift aid on the sale of donated goods and moving fundraising activity to a new online platform. The staff team are working hard to increase income for future years from fundraising and retail activities.

### **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 to nine months of operating expenditure (up to a maximum of 12 months), which would equate to holding approximately £450,000 to £675,000 in free reserves.

At the year end, free reserves were £830,764 (2022: £808,862), an increase of £21,902 in the year.

# THE NORTH NORTHUMBERLAND HOSPICE

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

*FOR THE YEAR ENDED 31 MARCH 2023*

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### Plans for future periods

1. **Reach unmet needs** - we will continue to explore where our support and care can make the most significant impact and continue to do more for our communities.

2. **Keeping our 'quality'** - Our key asset is the high quality of our services. The people whom we employ to support our community need to be well-trained and supported. As we grow and reach unmet needs, we will ensure we maintain the highest quality in all that we do.

3. **Being sustainable** - We recognise that within the growth, we must ensure the longevity of our services. Being mindful of our financial needs and diversifying our income streams is one way we will be sustainable in the future. Work has begun on implementing Gift Aid in all our retail shops, which will make a significant difference to our income.

*To achieve our strategy, we have focussed on four fundamental changes which will enable us to achieve our three key aims moving forward.*

1. **Governance** - The trustees commissioned an external Board Review in February 2023 which was completed in July 2023 and concluded that the Board of Trustees is currently effective with no urgent or acute issues, but gave direction of ways to strengthen the board to help develop and progress. The Trustees and the Senior Management Team have begun this work, which includes plans to focus on formulating a 3-year 2024 – 2027 strategic plan, with clear and concise strategic objectives that can be monitored. The collaboration work with Tynedale Hospice at Home will be an important part of the future plans.
2. **A new Head of Income Generation post** - To remain financially sustainable within a growing organisation, we need to focus on a diverse income portfolio. We appointed a Head of Income Generation, as part of the Executive Team to ensure that we deliver this.
3. **Investment in our people** - To deliver quality within our services, we recognise the importance of valuing our team members, staff, and volunteers. We continued with the 'I Matter' which is an employee wellbeing programme, and the Nuture Fund to champion the needs of our workforce (training and resilience) to continue to provide 'quality' within all our services.
4. **Collaboration** - Working within rural North Northumberland, we recognise the need to ensure that our services dovetail seamlessly within the local healthcare environment. Working with Northeast and North Cumbria Hospices Collaborative, and more closely with Tynedale Hospice at Home, the Primary Care Network and Northumbria Healthcare NHS Foundation Trust, we aim to ensure that our services reach those who need us at the right time and in the right way.

### Structure, governance and management

#### *Nature of governing document*

The North Northumberland Hospice, operating as HospiceCare North Northumberland, (The Hospice) is the local charity supporting people living with life limiting illnesses.

The Hospice is a charitable company limited by guarantee, company number 04925753, and is a registered charity, number 1103635 (England and Wales) incorporated on 8 October 2003. Following a rebranding in March 2008, the Hospice is known for trading purposes only as HospiceCare North Northumberland, but this does not affect either its charity or company registrations. The charitable company was established under a Memorandum of Association, which established the objectives and powers of the charitable company and is governed under its Articles of Association. In the event of the charitable company being wound up, members (the only class of which at present are current trustees and the company secretary) are required to contribute an amount not exceeding £10. The directors of the company are also charity trustees for the purpose of charity law.

# THE NORTH NORTHUMBERLAND HOSPICE

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2023**

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The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr P W Atkinson CBE	(Resigned 31 August 2023)
Mrs E C Beauchamp	(Appointed 30 May 2022)
Mrs L H M Carroll	
Mrs L Clark	(Appointed 15 May 2023)
Mr J Cooke MBE	(Appointed 20 September 2022)
Mrs J Raine	(Appointed 15 May 2023)
Mrs S E Sherrard	
Mrs D Trafford	(Appointed 18 July 2022)
Mrs J L E Lothian	(Resigned 30 April 2022)
Mr S Hulme	(Resigned 25 July 2022)
Mrs J Kelly	(Resigned 15 November 2022)
Dr M J Torkington	(Appointed 17 July 2023)
Sir A W Craft	(Appointed 17 July 2023)

### ***Induction and training of trustees***

New trustees are invited to meet with the Chair and then a wider group of trustees prior to appointment, in order to gain an overall understanding of the day to day work of the Hospice. All trustees are provided with a comprehensive induction. An information folder has been produced and issued to all existing and new trustees, giving them information on their governance responsibilities as a Hospice trustee, background information on the Memorandum and Articles of Association, Financial Accounts, Business Plan and Contingency Plan. Governance training is provided by a leading charity law firm with comprehensive training on the legal duties and responsibilities of trustees.

# THE NORTH NORTHUMBERLAND HOSPICE

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

*FOR THE YEAR ENDED 31 MARCH 2023*

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### **Organisational structure**

The Hospice has a Board of trustees which currently comprises nine members, with twelve being the maximum permitted under the Articles of Association. The trustees come from a variety of backgrounds, bringing an appropriate mix of clinical, professional and managerial skills and experience that enables them to contribute to the effective working of the Hospice. There are bi-monthly Board meetings to review the governance of the operations and strategy, which are also attended by the Chief Executive and other members of the Executive Team as appropriate. Committees reporting to the Board have been established to deal with designated areas of trustee responsibility as follows:

- **Clinical Governance Group** – Chair: Sue Sherrard - Bi-monthly, between Board meetings, to review clinical governance, risks, clinical strategy and provide support for the senior team.
- **Finance and Income Generation Committee** – Chair: Elaine Beauchamp - Bi-monthly, between Board meetings to review the financial performance of the organisation against financial budgets and forecasts, cash and reserves positions, fundraising strategy, risks, and all aspects of the related administrative support functions.
- **People and Support Services Committee** – Chair: Debbie Trafford - Bi-monthly, between Board meetings, to review human resources, risks, data, health and safety governance, people and marketing and communications strategy and provide support for the senior team.

The Executive Team and Board of trustees work to appropriate Charity Commission and Companies House Codes of Conduct. Copies of Standing Order Financial Instructions have been issued to all members of the Board and a Policy folder is available to all relevant persons.

All trustees, staff, and volunteers are subject to Disclosure and Barring Service checks where appropriate, before taking up a post with the Hospice.

The Hospice is registered with the Care Quality Commission, Information Commissioner's Office, Fundraising Regulators and Gambling Licencing Authority.

The Hospice operates a policy of Fair Treatment for all.

# THE NORTH NORTHUMBERLAND HOSPICE

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### Statement of trustees' responsibilities

The trustees, who are also the directors of The North Northumberland Hospice for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditor

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

The trustees' report was approved by the Board of Trustees.

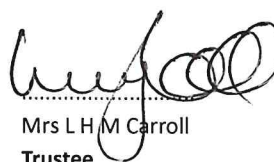


~~Mrs E C Beauchamp~~

Trustee

Mrs S. SHEPPARD

27 November 2023



Mrs L H M Carroll

Trustee

# THE NORTH NORTHUMBERLAND HOSPICE

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF THE NORTH NORTHUMBERLAND HOSPICE

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#### Opinion

We have audited the financial statements of The North Northumberland Hospice (the 'charity') 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, 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 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 annual report. Our opinion on the financial statements does not cover the other information and 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.

# THE NORTH NORTHUMBERLAND HOSPICE

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF THE NORTH NORTHUMBERLAND HOSPICE

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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, the trustees, who are also the directors of the charity for the purpose 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 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 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**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

#### **The extent to which the audit was considered capable of detecting irregularities including fraud**

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.



**THE NORTH NORTHUMBERLAND HOSPICE**  
**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE TRUSTEES OF THE NORTH NORTHUMBERLAND HOSPICE**

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We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- To address the risk of fraud through management bias and override of controls, we:
  - performed analytical procedures to identify any unusual or unexpected relationships;
  - tested journal entries to identify unusual transactions;
  - assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
  - investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

  
Saint & Co.

**Chartered Accountants**  
**Statutory Auditor**

13.12.23

Sterling House  
Wavell Drive  
Rosehill  
Carlisle  
CA1 2SA

Saint & Co. is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

# THE NORTH NORTHUMBERLAND HOSPICE

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

*FOR THE YEAR ENDED 31 MARCH 2023*

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
<b>Income from:</b>							
Donations and legacies	3	374,821	47,161	421,982	585,196	125,278	710,474
Charitable activities	4	43,070	-	43,070	42,060	-	42,060
Other trading activities	5	338,212	1,210	339,422	291,005	1,258	292,263
Investments	6	3,562	-	3,562	3,222	-	3,222
<b>Total income</b>		759,665	48,371	808,036	921,483	126,536	1,048,019
<b>Expenditure on:</b>							
Raising funds	7	282,467	2,378	284,845	346,622	1,258	347,880
Charitable activities	8	551,945	61,949	613,894	321,741	279,166	600,907
<b>Total expenditure</b>		834,412	64,327	898,739	668,363	280,424	948,787
<b>Net (outgoing)/incoming resources before transfers</b>		(74,747)	(15,956)	(90,703)	253,120	(153,888)	99,232
Gross transfers between funds		85,897	(85,897)	-	(101,155)	101,155	-
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		11,150	(101,853)	(90,703)	151,965	(52,733)	99,232
Fund balances brought forward		1,010,500	119,645	1,130,145	858,535	172,378	1,030,913
<b>Fund balances carried forward</b>		1,021,650	17,792	1,039,442	1,010,500	119,645	1,130,145

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 19 to 34 form part of these financial statements.

# THE NORTH NORTHUMBERLAND HOSPICE

## BALANCE SHEET

**AS AT 31 MARCH 2023**

		2023		2022	
Notes	£	£	£	£	
<b>Fixed assets</b>					
Tangible assets	14		190,886	201,638	
<b>Current assets</b>					
Debtors	15	355,546		307,295	
Cash at bank and in hand		586,182		682,981	
		941,728		990,276	
<b>Creditors: amounts falling due within one year</b>	16	(93,172)		(61,769)	
Net current assets			848,556	928,507	
<b>Total assets less current liabilities</b>			1,039,442	1,130,145	
<b>Income funds</b>					
Restricted funds	19		17,792	119,645	
<u>Unrestricted funds</u>					
Designated funds	20	-		115,163	
General unrestricted funds		1,021,650		895,337	
			1,021,650	1,010,500	
			1,039,442	1,130,145	

The notes on pages 19 to 34 form part of these financial statements.

# THE NORTH NORTHUMBERLAND HOSPICE

## BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2023

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The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

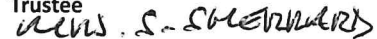
These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 27 November 2023.



~~Mrs E C Beauchamp~~

Trustee



Company registration number 04925273



Mrs L H M Carroll

Trustee

# THE NORTH NORTHUMBERLAND HOSPICE

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	25		(95,261)		24,568
<b>Investing activities</b>					
Purchase of tangible fixed assets		(5,100)		-	
Proceeds from disposal of tangible fixed assets		-		1,983	
Investment income received		3,562		3,222	
<b>Net cash (used in)/generated from investing activities</b>			(1,538)		5,205
<b>Net cash used in financing activities</b>			-		-
<b>Net (decrease)/increase in cash and cash equivalents</b>			(96,799)		29,773
Cash and cash equivalents at beginning of year			682,981		653,208
<b>Cash and cash equivalents at end of year</b>			<u>586,182</u>		<u>682,981</u>

The notes on pages 19 to 34 form part of these financial statements.

# THE NORTH NORTHUMBERLAND HOSPICE

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 1 Accounting policies

##### Charity information

The North Northumberland Hospice is a private company limited by guarantee incorporated in England and Wales. The registered office is Unit 3 Willowburn Avenue, Alnwick, Northumberland, NE66 2DG.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

##### 1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from grants receivable is recognised when the charity is entitled to the funds and any conditions linked to the grants have been met. Where performance related 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.

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

# THE NORTH NORTHUMBERLAND HOSPICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

(Continued)

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property	2% straight line
Leasehold improvements	Straight line over 10 year lease term
Fixtures and fittings	10% - 20% straight line
Computers	50% straight line
Motor vehicles	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

# THE NORTH NORTHUMBERLAND HOSPICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### 1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. All eligible employees are automatically enrolled into a workplace pension scheme. Some clinical staff are members of the NHS pension scheme.

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.



## THE NORTH NORTHUMBERLAND HOSPICE

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3 Donations and legacies	Unrestricted funds		Restricted funds		Total		Unrestricted funds		Restricted funds		Total	
	2023	2023	2023	2023	2023	2023	2022	2022	2022	2022	2022	2022
	£	£	£	£	£	£	£	£	£	£	£	£
Donations and gifts	276,803	47,161	323,964	304,061	75,910	379,971	304,061	75,910	379,971			
Legacies receivable	103,351	-	103,351	265,446	-	265,446	265,446	-	265,446			
Government grants	(5,333)	-	(5,333)	15,689	49,368	65,057	15,689	49,368	65,057			
	<u>374,821</u>	<u>47,161</u>	<u>421,982</u>	<u>585,196</u>	<u>125,278</u>	<u>710,474</u>	<u>585,196</u>	<u>125,278</u>	<u>710,474</u>			
<b>Donations and gifts</b>	<b>33,765</b>	<b>5,808</b>	<b>39,573</b>	<b>36,327</b>	<b>2,210</b>	<b>38,537</b>	<b>36,327</b>	<b>2,210</b>	<b>38,537</b>			
Community fundraising	206,738	5,453	212,191	214,334	-	214,334	214,334	-	214,334			
Sponsored events and donations	36,300	35,900	72,200	53,400	73,700	127,100	53,400	73,700	127,100			
Donations from trusts	<u>276,803</u>	<u>47,161</u>	<u>323,964</u>	<u>304,061</u>	<u>75,910</u>	<u>379,971</u>	<u>304,061</u>	<u>75,910</u>	<u>379,971</u>			

# THE NORTH NORTHUMBERLAND HOSPICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2023**

### 4 Charitable activities

	NHS Trust Contract 2023 £	NHS Trust Contract 2022 £
Services provided under contract	43,070	42,060

### 5 Other trading activities

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Fundraising events	65,600	1,210	66,810	45,159	1,258	46,417
Shop income	269,896	-	269,896	242,145	-	242,145
Lottery income	2,716	-	2,716	3,701	-	3,701
Other trading activities	338,212	1,210	339,422	291,005	1,258	292,263

### 6 Investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Interest receivable	3,562	3,222

## THE NORTH NORTHUMBERLAND HOSPICE

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

7 Raising funds	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
<u>Fundraising and publicity</u>						
Lottery costs	1,244	-	1,244	1,305	-	1,305
Staging fundraising events	16,620	-	16,620	13,977	-	13,977
Advertising	642	-	642	3,890	-	3,890
Other fundraising costs	21,503	2,378	23,881	16,471	1,258	17,729
Staff costs	87,680	-	87,680	62,027	-	62,027
	<u>127,689</u>	<u>2,378</u>	<u>130,067</u>	<u>97,670</u>	<u>1,258</u>	<u>98,928</u>
Fundraising and publicity						
<u>Trading costs</u>						
Operating charity shops	65,098	-	65,098	153,448	-	153,448
Staff costs	88,719	-	88,719	78,377	-	78,377
Depreciation and impairment	961	-	961	17,127	-	17,127
	<u>154,778</u>	<u>-</u>	<u>154,778</u>	<u>248,952</u>	<u>-</u>	<u>248,952</u>
Trading costs						
	<u>282,467</u>	<u>2,378</u>	<u>284,845</u>	<u>346,622</u>	<u>1,258</u>	<u>347,880</u>

# THE NORTH NORTHUMBERLAND HOSPICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 MARCH 2023*

**8 Charitable activities**

	Clinical Services 2023 £	Clinical Services 2022 £
Staff costs	271,398	311,098
Depreciation and impairment	300	-
Travel expenses	19,759	25,894
Other hospice expenses	17,684	15,353
	309,141	352,345
Share of support costs (see note 9)	290,221	236,117
Share of governance costs (see note 9)	14,532	12,445
	613,894	600,907
<b>Analysis by fund</b>		
Unrestricted funds	551,945	321,741
Restricted funds	61,949	279,166
	613,894	600,907

# THE NORTH NORTHUMBERLAND HOSPICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2023**

9 Support costs	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Staff costs	160,438	-	160,438	230,769	-	230,769
Depreciation	14,592	-	14,592	-	-	-
Consultancy fees	25,860	-	25,860	-	-	-
Travel expenses	859	-	859	-	-	-
Marketing	1,500	-	1,500	5,348	-	5,348
Admin costs	34,466	-	34,466	-	-	-
Office equipment	4,757	-	4,757	-	-	-
Property costs	32,943	-	32,943	-	-	-
Telephone	1,778	-	1,778	-	-	-
Other costs	10,134	-	10,134	-	-	-
Bank charges	2,894	-	2,894	-	-	-
Audit fees	-	3,875	3,875	-	5,250	5,250
Accountancy	-	1,990	1,990	-	-	-
Legal and professional	-	7,556	7,556	-	4,974	4,974
Trustee costs	-	1,111	1,111	-	2,221	2,221
	<u>290,221</u>	<u>14,532</u>	<u>304,753</u>	<u>236,117</u>	<u>12,445</u>	<u>248,562</u>
Analysed between						
Charitable activities	<u>290,221</u>	<u>14,532</u>	<u>304,753</u>	<u>236,117</u>	<u>12,445</u>	<u>248,562</u>
<b>10 Net movement in funds</b>					<b>2023</b>	<b>2022</b>
					<b>£</b>	<b>£</b>
Net movement in funds is stated after charging/(crediting)						
Fees payable to the company's auditor for the audit of the company's financial statements					3,875	5,250
Fees payable to the company's auditor for non-audit services					1,990	-
Depreciation of owned tangible fixed assets					15,853	17,127
Operating lease payments recognize in expenses					31,860	28,500
					<u>52,578</u>	<u>50,877</u>

### 11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. Two trustees received reimbursement of expenses from the charity totalling £530 (2022: £239).

# THE NORTH NORTHUMBERLAND HOSPICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 12 Employees

The average monthly number of employees during the year was:

	2023	2022
	Number	Number
Clinical	24	25
Administrative	6	7
Income generation and marketing	4	3
Retail	8	9
Domestic	2	2
	<u>          </u>	<u>          </u>
Total	44	46
	<u>          </u>	<u>          </u>
<b>Employment costs</b>	<b>2023</b>	<b>2022</b>
	£	£
Wages and salaries	553,037	601,752
Social security costs	26,453	39,745
Other pension costs	28,745	40,774
	<u>          </u>	<u>          </u>
	608,235	682,271
	<u>          </u>	<u>          </u>

The above staff costs include non-payroll workers.

There were no employees whose annual remuneration was more than £60,000.

### 13 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

## THE NORTH NORTHUMBERLAND HOSPICE

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

14 Tangible fixed assets	Freehold property £	Leasehold improvements £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
<b>Cost</b>						
At 1 April 2022	354,994	26,168	47,450	3,978	8,300	440,890
Additions	-	-	4,500	600	-	5,100
At 31 March 2023	354,994	26,168	51,950	4,578	8,300	445,990
<b>Depreciation and impairment</b>						
At 1 April 2022	182,253	10,629	34,891	3,978	7,500	239,251
Depreciation charged in the year	7,100	2,617	5,036	300	800	15,853
At 31 March 2023	189,353	13,246	39,927	4,278	8,300	255,104
<b>Carrying amount</b>						
At 31 March 2023	165,641	12,922	12,023	300	-	190,886
At 31 March 2022	172,742	15,539	12,557	-	800	201,638

# THE NORTH NORTHUMBERLAND HOSPICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2023**

### 15 Debtors

	2023	2022
Amounts falling due within one year:	£	£
Trade debtors	22,064	5,315
Other debtors	33,588	24,356
Prepayments and accrued income	299,894	277,624
	355,546	307,295
	355,546	307,295

Prepayments and accrued income above includes £281,804 (2022: £180,000) relating to legacy income not received by the year end but has been recognised in the financial statements because entitlement was established and the amount could be reliably estimated at that time. An advance of £200,000 was received in relation to this legacy in October 2023.

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

	Notes	2023	2022
		£	£
Other taxation and social security		24,213	11,628
Deferred income	17	14,010	12,894
Trade creditors		23,243	16,911
Other creditors		5,158	5,160
Accruals and deferred income		26,548	15,176
		93,172	61,769
		93,172	61,769

### 17 Deferred income

	2023	2022
	£	£
Other deferred income	14,010	12,894
	14,010	12,894
	14,010	12,894

Deferred income is included in the financial statements as follows:

	2023	2022
	£	£
Deferred income is included within:		
Current liabilities	14,010	12,894
	14,010	12,894
	14,010	12,894
Movements in the year:		



# THE NORTH NORTHUMBERLAND HOSPICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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17	Deferred income	(Continued)	
	Deferred income at 1 April 2022	12,894	16,439
	Released from previous periods	(12,894)	(16,439)
	Resources deferred in the year	14,010	12,894
		<u>          </u>	<u>          </u>
	Deferred income at 31 March 2023	14,010	12,894
		<u>          </u>	<u>          </u>

Deferred income relates to income received in advance for fundraising events taking place in the next financial year.

### 18 Retirement benefit schemes

#### Defined contribution schemes

The charity operates two pension schemes.

Staff who are current or recent members of the NHS Pension Scheme (a multi-employer scheme), but are not yet drawing down its benefits, continue membership in their employment, and the charity pays the employer's contribution of 14.3%. This is a defined benefit scheme, but these accounts it is treated as a defined contributions scheme as the charity is not liable for any underfunding.

There is a "Direction" from the Department of Health which enables operation of the NHS Pension Scheme for staff who are contributing members in another employment or have been up to 12 months before joining the charity. Under this there is an obligation to ask new staff whether they qualify, and offer them continues membership if they do. They can decline in writing, and bank staff often do. New enrolments cannot be made into the scheme. For qualifying staff who decline to contribute in this employment, auto-enrolment rules for the People's Pension are followed.

The NHS Pension employer contribution rose from 14.3% to 20.6% in April 2019, but the government agreed to fund the increase centrally. There is also an admin fee of 0.08% payable by the employer. A scheme valuation is carried out every four years, with the next one due to conclude in Autumn 2023 and will determine the employer contribution rate for the four years from April 2024.

All other staff are auto-enrolled in or offered membership of the defined contribution People's Pension, and the charity makes a contribution of 5%.

The charge to profit or loss in respect of defined contribution schemes was £28,745 (2022 - £40,774).

**THE NORTH NORTHUMBERLAND HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**19 Restricted funds**

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2021 £	Movement in funds			Balance at 1 April 2022 £	Incoming resources £	Movement in funds			Balance at 31 March 2023 £
		Incoming resources £	Resources expended £	Transfers £			Incoming resources £	Resources expended £	Transfers £	
Berwick Equipment Fund	597	-	-	(399)	198	-	-	(198)	-	-
Building Fund Donations	10,175	-	(318)	-	9,857	-	-	(9,857)	-	-
Dementia Walking Football	4,684	-	(918)	-	3,766	-	(3,766)	-	-	-
Department of Health	22,298	-	(715)	-	21,583	-	-	(21,583)	-	-
Dementia Therapy Sessions	2,350	-	-	-	2,350	-	-	(2,350)	-	-
Northern Rock Foundation	17,968	-	(1,287)	-	16,681	-	-	(16,681)	-	-
Admiral Nurse - Henfry Trust	8,641	-	-	-	8,641	-	-	-	-	8,641
Sir James Knott Trust	6,553	-	(205)	-	6,348	-	-	(6,348)	-	-
Wolfson Foundation	23,020	-	(720)	-	22,300	-	-	(22,300)	-	-
Hospice at Home	36,762	44,671	(175,636)	101,388	7,185	35,185	(42,370)	-	-	-
Ambling Angelas Fund	568	-	-	-	568	-	-	(568)	-	-
Dementia Project	8,101	733	(4,868)	-	3,966	-	(3,966)	-	-	-
Develop & Promote Berwick Services - Lough Fund	3,404	10,000	(4,815)	-	8,589	-	(8,589)	-	-	-
Berwick Hospice Services	100	1,000	-	-	1,100	1,000	(2,100)	-	-	-
Co-op Wellbeing	1,445	-	-	-	1,445	-	-	(1,445)	-	-
Headsets	35	-	-	-	35	-	-	(35)	-	-
Winham - Elderly	-	5,000	-	-	5,000	-	-	-	-	5,000
Berwick Garden Fund	33	-	-	-	33	-	-	(33)	-	-
Other funds cleared in 2022	25,644	65,132	(90,942)	166	-	-	-	-	-	-
Alnwick Equipment Fund	-	-	-	-	-	4,500	-	(4,500)	-	-
Film 2022	-	-	-	-	-	2,378	(2,378)	-	-	-
Dementia Cafe	-	-	-	-	-	308	(308)	-	-	-

**THE NORTH NORTHUMBERLAND HOSPICE**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

<b>19 Restricted funds</b>						<b>(Continued)</b>
Winham - Dementia	-	-	-	5,000	(849)	4,151
	<u>172,378</u>	<u>126,536</u>	<u>(280,424)</u>	<u>101,155</u>	<u>119,645</u>	<u>48,371</u>
	<u><u>172,378</u></u>	<u><u>126,536</u></u>	<u><u>(280,424)</u></u>	<u><u>101,155</u></u>	<u><u>119,645</u></u>	<u><u>48,371</u></u>
					<u><u>(85,897)</u></u>	<u><u>17,792</u></u>

Transfers from restricted to unrestricted funds relate to restricted funds used in the year on capital expenditure (£4,500), and fund balances brought forward that have actually been spent in prior years.

# THE NORTH NORTHUMBERLAND HOSPICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2023**

### 20 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2021 £	Transfers £	Balance at 1 April 2022 £	Transfers £	Balance at 31 March 2023 £
Budget Deficit	112,180	2,983	115,163	(115,163)	-
	<u>112,180</u>	<u>2,983</u>	<u>115,163</u>	<u>(115,163)</u>	<u>-</u>

The Budget Deficit fund was designated by trustees to cover the deficit budgeted for the year. A surplus is budgeted for the 2023/24 financial year so the balance has been transferred to general funds.

### 21 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 March 2023 are represented by:						
Tangible assets	190,886	-	190,886	124,869	76,769	201,638
Current assets/(liabilities)	830,764	17,792	848,556	885,631	42,876	928,507
	<u>1,021,650</u>	<u>17,792</u>	<u>1,039,442</u>	<u>1,010,500</u>	<u>119,645</u>	<u>1,130,145</u>

### 22 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	11,777	13,000
Between two and five years	3,360	-
	<u>15,137</u>	<u>13,000</u>

The above commitments due within 1 year includes £8417 relating to property leases which are the minimum amounts due taking into account break clauses and notice periods in the lease terms.

# THE NORTH NORTHUMBERLAND HOSPICE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 23 Contingencies

At 31 March 2023 the charity was entitled to legacy income based on the residual estate of one benefactor. Since the amount was dependent on a property sale and therefore uncertain at the year end, the income has not yet been recognised in the financial statements. The charity expects to receive around £22,000 for this legacy.

### 24 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023	2022
	£	£
Aggregate compensation	55,756	164,975

During 2022/23, the services of the CEO, Head of Care and Finance Manager were provided under Service Level Agreements with third party organisations and invoiced to the charity. Since they were not employees of the charity, the amounts payable for these services are not included in the remuneration figure above.

During the year the charity received £674 (2022: £3,335) in donations and fundraising income from trustees and their close family relations.

During the year the charity received £745 (2022: £581) in donations and fundraising income from senior managers and their close family relations.

25 Cash generated from operations	2023	2022
	£	£
(Deficit)/surplus for the year	(90,703)	99,232
Adjustments for:		
Investment income recognised in statement of financial activities	(3,562)	(3,222)
Depreciation and impairment of tangible fixed assets	15,853	17,127
Movements in working capital:		
(Increase) in debtors	(48,251)	(88,506)
Increase in creditors	30,286	3,482
Increase/(decrease) in deferred income	1,116	(3,545)
<b>Cash (absorbed by)/generated from operations</b>	<b>(95,261)</b>	<b>24,568</b>

