

Registered number: 01525658  
Charity number: 510824

**THE HARTLEPOOL HOSPICE LIMITED T/A ALICE HOUSE HOSPICE**  
(A company limited by guarantee)

**COUNCIL MEMBERS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

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**THE HARTLEPOOL HOSPICE LIMITED T/A ALICE HOUSE HOSPICE**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS COUNCIL MEMBERS AND  
ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Council Members**

Mr R Priestman, Chair  
Mrs L Jones, Vice chair  
Mr F M Gibbon  
Mrs J Regan, Treasurer  
Mr Clive Shotton  
Dr R Armstrong (resigned 29 July 2021)  
Mr J F Ainslie  
Mrs A Barber  
Mrs R Marshall (resigned 7 May 2020)  
Mr S T Chacko  
Mrs K Martin  
Mr P Jones-King  
Dr J Druce (appointed 23 September 2021)

**Company registered number**

01525658

**Charity registered number**

510824

**Registered office**

Alice House, Wells Avenue, Hartlepool, TS24 9DA

**Chief executive officer**

Ms T Woodall

**Independent auditors**

Waltons Clark Whitehill Limited, Maritime House, Harbour Walk, The Marina, Hartlepool, TS24 0UX

**Bankers**

Lloyds TSB, 132 York Road, Hartlepool, TS26 9DD

**Solicitors**

Tilly Bailey & Irvine LLP, York Chambers, York Road, Hartlepool, TS26 9DP

**Director of Information Governance (Deputy Chief Executive)**

Ms S Britten

**Senior Manager Finance**

Mrs K Burrell

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS COUNCIL MEMBERS AND  
ADVISERS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021

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**Senior Manager Clinical Services**

Ms K Gibson

**Senior Manager Corporate Services (Deputy Chief Executive)**

Ms N Haggan

**Senior Manager Fundraising**

Ms J Hildreth

**Senior Manager Retail**

Ms K Witherley

**Senior Manager Therapeutic Support Services**

Ms J Grocott

**Senior Manager Communications**

Mr G Hildreth

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**THE HARTLEPOOL HOSPICE LIMITED T/A ALICE HOUSE HOSPICE**  
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**COUNCIL MEMBERS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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The Council Members, who are also Non-Executive Directors of the Charity for the purposes of the Companies Act, submit their annual report together with the audited financial statements of The Hartlepool Hospice Limited (the charity) for the year ended 31 March 2021. The Council Members confirm that the Annual report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity and the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

**Structure, governance and management**

The Charity is a company limited by guarantee and incorporated in England and Wales. It is governed by its Memorandum and Articles of Association adopted on 31 October 1980 and last amended on 26 September 2013.

The Council is responsible for the overall governance of the Charity. Council Members are either elected or co-opted and there must be a minimum of three Council Members, there is no maximum number of Council Members. The board will be made up of not less than 2 lay Council Members (meaning not appointed to act as a professional advisor) and such number of professional Council Members as the Council Members consider appropriate. Each Council Member shall retire from office at the fourth annual general meeting following the date of his appointment. Any professional director who so retires is eligible for re-election by the members or the directors as appropriate.

We would like to say a huge thank you to Robin Armstrong who has been a long standing board member but has now retired, we wish him well in his retirement.

The Hartlepool Hospice Limited is trading as Alice House Hospice.

The Council aim to maintain a balanced skills and experience base by identifying skills shortages when an opening exists for a new member.

Effective partnership and clarity of differentiation between governance and management roles continues to contribute significantly to our success. Apart from the AGM, Council meetings were bi monthly. At Council meetings the Council Members review performance against agreed strategy and financial performance against agreed budgets. New Council Members receive an induction pack containing everything they need to know about the Charity and its work for effective and Informed decision making. The Council Members take full ownership of the Charity's philosophy, five year rolling strategy and annual income and expenditure budgets.

The Council delegates the exercise of certain powers in connection with the financial control of the Charity as set out below. This is controlled by requiring regular reporting back to the Council, so that all decisions made under delegated powers can be ratified by the full Council in due course.

In setting the pay and remuneration of staff (including the senior management team) the Council Members have regard to local pay conditions for similar roles in similar organisations in the North East region.

**Chief Executive**

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 Council within the boundaries of the budget and various policies and procedures agreed by the Council. The Chief Executive is assisted by the Council Members.

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**COUNCIL MEMBERS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**Corporate governance**

Processes are in place to ensure that performance throughout the organisation is measured and monitored and all employees are subject to performance management and achievement of competencies. Where employees do not perform to expected standards support is provided through individual action plans.

Corporate governance is assured through a myriad of meetings and reporting mechanisms and evaluated against the Charity's strategy. Internal audits reflect the Charity's five areas of organisational excellence and are reported on a bi monthly basis to Council Members through the Chief Executive and Directors' reports.

**Finance sub group**

The Finance Sub Group comprises Council Members who are independent of the management and free of any relationship that in the opinion of the Council would interfere with the exercise of independent judgement as members of the Group. The Group has six bi monthly meetings per year. It is responsible for the setting of annual income and expenditure budgets and the monitoring of such, including quarterly year end forecasts. The Group ensures proper procedures are in place to manage cash resources prudently, and to maximise income from liquid resources whilst maintaining sufficient funds to meet daily cash requirements. The Group also advises the Council on the appropriate level of free reserves and of any significant change needed in investment strategy.

**Risk management**

The Council have a formal risk management process to assess business risks and implement risk management strategies. This 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 Council Members 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.

The significant risks to which the Charity is vulnerable, and methods in which they are controlled, are:

Loss of income	Regular monitoring of financial performance and setting and reviewing budgets
Disaster	Health and Safety officer review; regular risk management meetings (fire/loss of power etc)
Staff crisis	Use of bank staff – relocate patients to other providers

**Objectives and activities**

Objects, objectives and principal activities of the Charity

During this period a new refreshed organisational strategy was developed and disseminated, however due to Covid, some elements will need a review to align with the impact of Covid on our services, this will be performed once we are over the pandemic and understand the full impact.

Hospice UK forecast that during this pandemic around 30% of Hospices could close due to lack of funding, nevertheless the Government interventions have helped sustain our finances.

It has been difficult to set a new budget but we have managed to create a surplus and Council Members are confident that the Charity will achieve this budget. We have new income streams coming on board which once the Covid restrictions are lifted will generate income from entirely new sources and more importantly will provide us with a younger generation of supporters.

The Charity's primary objective is to provide care for individuals who are suffering from any illness, disability, disease or other infirmity whether physical or mental.

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**COUNCIL MEMBERS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**Our Vision**

Every person, to the last moment of their life has the right to dignity, respect, support and care.

**Our Mission**

To provide services that add value to life and make a difference to patients and their families.

To achieve the Mission, the Charity has diversified its activities whilst still remaining true to the primary purposes of the Charity. Service delivery has evolved into a more structured response to the specialist needs of palliative patients with a range of clinical needs and this structured approach also encompasses the wider health economy needs.

**Our Values**

- We value each person as an individual
- The patient is at the heart of all of our activities
- We believe in the importance of celebrating life and relationships
- We will demonstrate integrity and professionalism at all times
- We will be modern and progressive and seek out new opportunities to develop our services
- We will strive to be the best we can and encourage staff and volunteers to actively seek opportunities for personal growth and development
- We will exercise responsible financial management to ensure long term sustainability.

**Strategies for achieving objectives**

Our new strategy sets 3 strategic goals:

- We will ensure all of our services are of a high quality and are delivered safely with compassion and dignity.
- We will ensure our organisation is governed and managed in accordance with best practice.
- We will seek out opportunities to support our communities in all of their interactions with us.

The strategy provides a Patient's, Trustee's and Staff Charter which confirms our intentions and provides a commitment to collective responsibility and organisational cohesion.

**Activities for achieving objectives**

Prior to Covid the Hospice was functioning well and had a full year of fundraising activities planned which we were confident should have hit the identified budget. Additionally, after some difficult times, the Community Services had increased significantly through improved integrated working with Primary Care partners and was achieving budget. The Holistic Centre activities were starting to increase and this was a new service which needed time to build up. Our retail sector performed very well and beats its target year on year. The Hospice continually scrutinises the organisation for areas of cost savings and waste reduction alongside areas for income generation. We will be focusing on reducing utility bills through the exploration of green energy this year but it will take time to understand our carbon footprint and options for renewable energy.

The Council consider that they have complied with their duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission when setting objects, strategy and objectives.

**Achievements and performance**

We continue to run a highly professional organisation with a stable financial position which reflects ethical fundraising and cash holding policies decided by our Council Members.

The credit rating during the reporting period has remained at level A.

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**COUNCIL MEMBERS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**Strategic objectives**

We will manage our Charity as effectively, efficiently and responsibly as possible.

The Board have had regular updates and our risk register has been updated regularly to enable effective management of issues arising.

We will ensure all of our services are of a high quality and are delivered safely with compassion and dignity.

We have held regular engagement meetings with our CQC officer through zoom and have contacted them for advice when necessary.

There has been one formal complaint made in the previous 12 months which has been resolved without issue.

We will ensure our organisation is governed and managed in accordance with best practice.

The Board receive updates from all of our Senior Management Team for each meeting to ensure transparency and service developments are always approved by the Board.

All of the Board have fulfilled their mandatory training requirements.

We will seek out opportunities to support our communities in all of their interactions with us.

Collaboration has been high on our agenda and we have worked in partnership with the local authority to provide mental health support through our 'place for space' programme in the Holistic centre. We have continued to work with the CCG on educating care homes, and the community housing group has cemented many relationships.

Mental health recovery following Covid will be a substantial focus for us over the next year.

**Financial review**

**Reserves policy**

Free reserves available for use by the Charity are deemed to be those that are readily realisable, less funds whose uses are restricted or else designated for particular purposes.

As a matter of policy the Charity aims to build up and hold a maximum of two months running costs as reserves. This objective is secondary to the achievement of the Charity's strategic objectives as stated in the current strategy, so that reserves will not be built or maintained at the expense of planned or current patient care.

Two months running costs would be approximately £570k. With free reserves (after removing long term liabilities) of £697k the Charity is ahead of target. The Charity expects to utilise the extra reserves over the next year to support the Charity as it recovers income streams post Covid.

Aspirational objectives for reserves: the Charity aims to become financially independent of Primary Care Trust contracts as a security measure against diminishing contract values and the uncertainty of the level of tariff funding arising from the Palliative Care Funding Review. Nevertheless it will still seek appropriate contracts to advance patient services. The achievement of this will be through the new VR studio and other business opportunities as the care agency has closed down.

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**COUNCIL MEMBERS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**Financial review and results for the year**

The Charity has made a surplus of £292,031. The impact of the Covid-19 pandemic has been significant with fundraising income through events (fallen £90k) and charity shops (fallen £140k) impacted severely due to government restrictions. However the Charity has received support in the form of additional Hospice funding (£631k) and retail grants (£106k) that have ensured the Hospice has been able to continue to provide its services throughout the pandemic.

The detailed results are as follows:

Gross income increased by 3% to £3.7m, while expenditure on charitable activities decreased by 3% to £2.8m. After taking depreciation into account total resources expended of £3.4m (2020: £3.6m) resulted in a net surplus for the year of £292k (2020: £12k).

Income received in furtherance of charitable objects totalled £1.8m. Expenditure incurred on furthering charitable objects was £2.8m. The Charity supports its charitable activities with successful fundraising activities, including charity shops and a lottery.

Fundraising activities, donations and legacies generated a surplus of unrestricted income of £871k to be used to pursue charitable activities.

£476k of grants were received to support the work of the Hospice.

The lottery generated a surplus of £145k (2020: £169k) and charity shops & Ebay generated a surplus of £12k (2020: £165k).

£9k of unrestricted income was spent on the governance costs of the organisation.

Total reserves stand at £3.3m (2020: £3.1m), including £446k of restricted reserves.

At 31 March 2021 there is a deficit on unrestricted free reserves of £23k. Excluding the long term bank loans, a loan which was used to purchase the freehold and develop the Wellbeing Centre and the Coronavirus Business Interruption Loan, and the pension deficit, there is a surplus of £697k.

**Investment policy and performance**

The Memorandum of Association authorises the Council Members to invest surplus funds as may be thought fit. The Council Members' policy is to hold any surplus cash on deposit to obtain the most attractive interest rate available. The Council Members' have directed that funds will be used in the charitable activities of the company instead.

**Fundraising**

Alice House Hospice has a 5 Year Income Generation Strategy (2017 – 2021) which ensures supporter relationships and effective governance are at the heart of its income generation. The strategy encompasses 5 objectives in order to execute the Strategic Aspiration – 'support the community to have a positive relationship with Alice House Hospice, to create sustainable income.'

Fundraising is starting to recover and in this year we have secured a three year partnership fundraising project working with the North East Air Ambulance and the Middlesbrough Sports Foundation as the designated charities of the Tees Valley Mayor and Teesside International Airport.

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**COUNCIL MEMBERS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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Alice House Hospice is a subscribed member of the Fundraising Regulator and as such adheres to the Code of Fundraising Practice. We review each Code on a rolling programme to ensure that we are compliant in all areas. An action plan is in progress for any areas where improvements are to be made to ensure full compliance with the Code and is managed by the Senior Manager Fundraising.

All Staff and Volunteers within Income Generation have access to the Code of Fundraising and the Institute of Fundraising 'Treating Donors Fairly' policy.

**Plans for the future**

Our Holistic Centre continues to grow and thrive and we are responding to the increase in mental health referrals through the centre. We have recruited male volunteers to support mental health activities for men.

**Future developments**

Our aim is to provide a 24hr admission service through developing an integrated palliative care pathway with either a local hospice or the Acute Trust. The CCG is performing a review of palliative care services and we are supporting this process.

**Employees**

Employees are fully involved with the development and delivery of the strategy and it is integral to all daily activities and used to support their appraisals.

Regular communications' meetings are held to ensure that all employees are aware of the activities of the Charity; these meetings are Director led.

**Volunteers**

The survival and growth of the Charity could not be achieved without the unstinting support of the volunteer workforce, who enable the fulfilment of the Hospice's Vision by complimenting the work of the patient care staff, supporting fundraising efforts and serving as Council Members. The volunteers bring skill, knowledge and experience which greatly enhances the professional profile of the Charity. This in turn enables the Charity to reach further into the community, not only by caring for those with life limiting illnesses but by offering opportunities for the development of skills and expertise which individuals can take with them in their own personal development, back into the community, thus enhancing the profile of the Charity and encouraging more individuals to offer their service on a voluntary basis.

**Council Members' liability**

The Council Members guarantee to contribute an amount not exceeding £1 to the assets of the Charity in the event of winding up.

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**COUNCIL MEMBERS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**Council Member's responsibilities statement**

The Council Members (who are also directors of Hartlepool Hospice Limited for the purposes of company law) are responsible for preparing the Council Members' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company and charity law requires the Council Members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Council Members are required to:

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

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

**Provision of information to auditors**

Each of the persons who are Council Members at the time when this Council Members' report is approved has confirmed that:

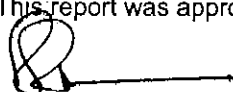
- so far as that Council Member is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Council Member has taken all the steps that ought to have been taken as a Council Member in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

**Auditors**

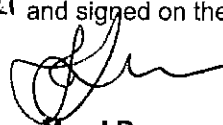
The auditors, Waltons Clark Whitehill Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the Council Members have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Council Members on 18/11/2021 and signed on their behalf, by:



**Mr R Priestman**  
(Chair of Trustees)



**Mrs J Regan**  
(Treasurer)

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**THE HARTLEPOOL HOSPICE LIMITED T/A ALICE HOUSE HOSPICE**  
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HARTLEPOOL HOSPICE LIMITED T/A  
ALICE HOUSE HOSPICE**

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**UNQUALIFIED OPINION**

We have audited the financial statements of The Hartlepool Hospice Limited T/A Alice House Hospice (the 'charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**BASIS FOR OPINION**

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

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

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

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HARTLEPOOL HOSPICE LIMITED T/A  
ALICE HOUSE HOSPICE (CONTINUED)**

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**OTHER INFORMATION**

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

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

- the information given in the Council Members' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Council Members' Report has been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

- 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 Council Members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Council Members were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Council Members' Report and from the requirement to prepare a Strategic Report.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HARTLEPOOL HOSPICE LIMITED T/A  
ALICE HOUSE HOSPICE (CONTINUED)**

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**RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Council Members' responsibilities statement, the Council Members (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council Members 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 Council Members 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 Council Members either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- Obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how they are complying with the legal and regulatory framework
- Inquired of management and those charged with governance about their own identification and assessment of the risks of irregularities including any known, actual, suspected or alleged instances of fraud,
- Discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements might be susceptible to fraud.

As a result of these procedures we considered the most significant laws and regulations which have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006 and the charitable company's governing document. We performed audit procedures to detect non-compliance which may have a material impact on the financial statements which included reviewing the financial statements including the council members report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The audit engagement team identified the risk of management override of controls and Income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HARTLEPOOL HOSPICE LIMITED T/A  
ALICE HOUSE HOSPICE (CONTINUED)**

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Audit procedures performed included, but were not limited to:

- testing manual journal entries and other adjustments
- evaluating the business rationale in relation to significant or unusual transactions and transactions entered into outside the normal course of business
- challenging judgments and estimates
- reviewing income transactions around the year end to look for potential "window dressing".

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

**USE OF OUR REPORT**

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



**Heather O'Driscoll FCA (Senior statutory auditor)**

for and on behalf of

**Waltons Clark Whitehill Limited**

Chartered Accountants

Statutory Auditors

Maritime House

Harbour Walk

The Marina

Hartlepool

TS24 0UX

Date: 30 November 2021

**THE HARTLEPOOL HOSPICE LIMITED T/A ALICE HOUSE HOSPICE**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>INCOME FROM:</b>					
Donations and legacies	3	44,941	1,239,827	1,284,768	1,265,615
Charitable activities	4	1,461,192	298,580	1,759,772	1,358,927
Other trading activities	5	-	666,530	666,530	974,889
<b>TOTAL INCOME</b>		<b>1,506,133</b>	<b>2,204,937</b>	<b>3,711,070</b>	<b>3,599,431</b>
<b>EXPENDITURE ON:</b>					
Raising funds	7	-	603,893	603,893	693,425
Charitable activities	8	1,508,831	1,306,315	2,815,146	2,894,208
<b>TOTAL EXPENDITURE</b>		<b>1,508,831</b>	<b>1,910,208</b>	<b>3,419,039</b>	<b>3,587,633</b>
<b>NET (EXPENDITURE)/INCOME</b>		<b>(2,698)</b>	<b>294,729</b>	<b>292,031</b>	<b>11,798</b>
Transfers between funds	18	(17,163)	17,163	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>(19,861)</b>	<b>311,892</b>	<b>292,031</b>	<b>11,798</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		466,111	2,602,852	3,068,963	3,057,165
Net movement in funds		(19,861)	311,892	292,031	11,798
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>446,250</b>	<b>2,914,744</b>	<b>3,360,994</b>	<b>3,068,963</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 18 to 40 form part of these financial statements.

**THE HARTLEPOOL HOSPICE LIMITED T/A ALICE HOUSE HOSPICE**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 01525658**

**BALANCE SHEET**  
**AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
<b>FIXED ASSETS</b>			
Tangible assets	13	3,383,435	3,297,726
Investments	14	100	100
		<u>3,383,535</u>	<u>3,297,826</u>
<b>CURRENT ASSETS</b>			
Debtors	15	399,267	534,138
Cash at bank and in hand		644,002	60,738
		<u>1,043,269</u>	<u>594,876</u>
Creditors: amounts falling due within one year	16	(316,043)	(271,830)
		<u>727,226</u>	<u>323,046</u>
<b>NET CURRENT ASSETS</b>			323,046
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,110,761</u>	<u>3,620,872</u>
Creditors: amounts falling due after more than one year	17	(743,279)	(544,221)
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>		<u>3,367,482</u>	<u>3,076,651</u>
Defined benefit pension scheme liability	25	(6,488)	(7,688)
<b>TOTAL NET ASSETS</b>		<u><u>3,360,994</u></u>	<u><u>3,068,963</u></u>
<b>CHARITY FUNDS</b>			
Restricted funds	18	446,250	466,111
Unrestricted funds	18	2,914,744	2,602,852
<b>TOTAL FUNDS</b>		<u><u>3,360,994</u></u>	<u><u>3,068,963</u></u>

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**THE HARTLEPOOL HOSPICE LIMITED T/A ALICE HOUSE HOSPICE**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 01525658**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2021**

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

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

The financial statements were approved and authorised for issue by the Council Members and signed on their behalf by:



**Mr R Priestman**  
Chair of Trustees  
Date: 18 / 11 / 2021



**Mrs J Regan**  
Treasurer

The notes on pages 18 to 40 form part of these financial statements.

**THE HARTLEPOOL HOSPICE LIMITED T/A ALICE HOUSE HOSPICE**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash used in operating activities	20	606,550	33,901
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of tangible fixed assets		(251,449)	(76,237)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(251,449)</b>	<b>(76,237)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash inflows from new borrowing		250,000	-
Repayments of borrowing		(61,869)	(60,772)
New finance leases		49,020	-
Repayments of finance leases		(8,988)	-
<b>NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES</b>		<b>228,163</b>	<b>(60,772)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>		<b>583,264</b>	<b>(103,108)</b>
Cash and cash equivalents at the beginning of the year		60,738	163,846
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	21	<b>644,002</b>	<b>60,738</b>

The notes on pages 18 to 40 form part of these financial statements

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**THE HARTLEPOOL HOSPICE LIMITED T/A ALICE HOUSE HOSPICE**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**1. GENERAL INFORMATION**

The Charity is a company incorporated in England and Wales and limited by guarantee. The members of the company are the Council Members named on page 2. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

The registered address is:

Alice House  
Wells Avenue  
Hartlepool  
TS24 9DA

**2. ACCOUNTING POLICIES**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Hartlepool Hospice Limited T/A Alice House Hospice meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**2.2 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Council Members in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Council Members for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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**THE HARTLEPOOL HOSPICE LIMITED T/A ALICE HOUSE HOSPICE**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.3 Going concern**

Despite a challenging year due to the Covid-19 pandemic the Charity has made a surplus of £292,031.

Despite this uncertainties as identified by the Council Members remain. Costs continue to increase and these are not covered by the income from charitable activities. The Charity is reliant upon the continued support of the public in the form of donations and legacies.

Council Members are always looking for new fundraising opportunities and have invested in a virtual reality project which it is hoped will raise money and introduce potential new supporters to the Charity. The project has made an encouraging start in the new year and other fundraising events and shop income have recovered significantly in the 2021/22 year after postponements, cancellations and closures brought about by the pandemic.

The Council Members have great confidence in the Charity's ability to hit budgets and stay viable. The financial statements therefore continue to be prepared on the going concern basis.

**2.4 Income**

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 income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Gifts donated for resale are included as income when they are sold.

The Council Members acknowledge that they are assets of the Charity as soon as received but due to the fact that a very large number of small value items are received the time and cost of valuing donated goods at receipt would outweigh any benefit to the users of the financial statements of having them so valued.

Where goods are donated under the Gift Aid scheme the Charity is not entitled to the income until the goods are sold and the donor has confirmed that they are gifting the proceeds. In this case the income is included as a donation rather than as a sale.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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**THE HARTLEPOOL HOSPICE LIMITED T/A ALICE HOUSE HOSPICE**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.5 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 allocated on the portion of the asset's use.

Costs of generating voluntary income are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Fundraising costs are the direct costs of operating the charity shops and other trading activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include central costs. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

**2.6 Tangible fixed assets and depreciation**

Tangible fixed assets costing £250 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 20/50 years straight line
Plant and machinery	- 7 years straight line
Motor vehicles	- 7 years straight line
Fixtures and fittings	- 7 years straight line
Computer equipment	- 3/5 years straight line
Other fixed assets	- 3 years straight line

The assets useful lives and depreciation rates have been reviewed and adjusted since the last reporting period.

**2.7 Investments**

Investments represent the shares held in a subsidiary company which are stated at cost.

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**THE HARTLEPOOL HOSPICE LIMITED T/A ALICE HOUSE HOSPICE**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.8 Debtors**

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

**2.9 Cash at bank and In hand**

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

**2.10 Liabilities**

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**2.11 Finance leases and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Charity. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**THE HARTLEPOOL HOSPICE LIMITED T/A ALICE HOUSE HOSPICE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.12 Pensions**

The Charity contributes to a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

**Defined benefit schemes**

The Charity makes contributions to the National Health Service Pension Scheme and The Pension Scheme Trust.

The Charity is however unable to identify its share of the underlying assets and liabilities in the schemes and has accounted for contributions as if they were defined contributions schemes as follows:

The amount charged to the statement of financial activities in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Amounts included in expenses are allocated between activities on the basis of staff time in line with other support costs.

The Charity has agreed to a deficit funding arrangement and recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

**3. DONATIONS, LEGACIES AND SIMILAR INCOMING RESOURCES**

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Coronavirus job retention scheme funding	-	160,950	160,950	-
Donations	-	662,590	662,590	702,775
Legacies	-	108,196	108,196	274,758
Grants	44,941	153,275	198,216	279,246
Other Covid-19 grants	-	116,962	116,962	-
Similar incoming resources	-	37,854	37,854	8,836
<b>Total 2021</b>	<b>44,941</b>	<b>1,239,827</b>	<b>1,284,768</b>	<b>1,265,615</b>
<i>Total 2020</i>	<i>51,461</i>	<i>1,214,154</i>	<i>1,265,615</i>	

**THE HARTLEPOOL HOSPICE LIMITED T/A ALICE HOUSE HOSPICE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**4. INCOME FROM CHARITABLE ACTIVITIES**

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
In Patient Unit	700,040	238,186	938,226	936,816
Out Patient Unit	-	48,817	48,817	293,519
Medical	91,169	-	91,169	87,347
Multi Disciplinary Team	38,891	-	38,891	35,067
Bereavement	-	11,577	11,577	6,178
National Health Service England	631,092	-	631,092	-
<b>Total 2021</b>	<b>1,461,192</b>	<b>298,580</b>	<b>1,759,772</b>	<b>1,358,927</b>
<i>Total 2020</i>	<i>770,312</i>	<i>588,615</i>	<i>1,358,927</i>	

NHS England (NHSE) awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the Covid-19 situation and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose.

**5. FUNDRAISING INCOME**

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Lottery	238,663	238,663	277,921
Fundraising events	69,292	69,292	159,081
Kitchen income	11,750	11,750	45,410
Charity shop takings	339,562	339,562	480,492
Catering and merchandising income	7,263	7,263	11,985
<b>Total 2021</b>	<b>666,530</b>	<b>666,530</b>	<b>974,889</b>
<i>Total 2020</i>	<i>974,889</i>	<i>974,889</i>	

**THE HARTLEPOOL HOSPICE LIMITED T/A ALICE HOUSE HOSPICE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**6. TRADING ACTIVITIES**

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Charity trading income</b>			
Charity shop takings	339,562	339,562	480,492
Catering and merchandising income	7,263	7,263	11,985
	<u>346,825</u>	<u>346,825</u>	<u>492,477</u>
<b>Fundraising trading expenses</b>			
Charity shop costs	108,602	108,602	133,830
Catering and merchandising costs	4,055	4,055	7,649
Salaries	220,209	220,209	185,767
	<u>332,866</u>	<u>332,866</u>	<u>327,246</u>
	<u>13,959</u>	<u>13,959</u>	<u>165,231</u>
Net income from trading activities	<u>165,231</u>	<u>165,231</u>	<u>165,231</u>
Total 2020	<u>165,231</u>	<u>165,231</u>	

**7. COST OF RAISING FUNDS**

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Fundraising expenditure	17,573	17,573	44,659
Lottery costs	93,856	93,856	108,975
Support costs allocated	6,094	6,094	4,028
Wages and salaries	113,396	113,396	168,409
Depreciation	40,108	40,108	40,108
Fundraising trading expenses (note 6)	332,866	332,866	327,246
<b>Total 2021</b>	<u>603,893</u>	<u>603,893</u>	<u>693,425</u>
<i>Total 2020</i>	<u>693,425</u>	<u>693,425</u>	

**THE HARTLEPOOL HOSPICE LIMITED T/A ALICE HOUSE HOSPICE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES**

**Summary by fund type**

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
In Patient Unit	1,315,661	794,704	2,110,365	2,121,623
Out Patient Unit	-	11,985	11,985	201,969
Medical	122,724	114,504	237,228	204,315
Multi Disciplinary Team	70,446	212,720	283,166	269,155
Bereavement & Therapeutic Services	-	172,402	172,402	97,146
<b>Total 2021</b>	<b>1,508,831</b>	<b>1,306,315</b>	<b>2,815,146</b>	<b>2,894,208</b>
<i>Total 2020</i>	<i>821,962</i>	<i>2,072,246</i>	<i>2,894,208</i>	

**9. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
In Patient Unit	1,073,198	1,037,167	2,110,365	2,121,623
Out Patient Unit	3,531	8,454	11,985	201,969
Medical	218,622	18,606	237,228	204,315
Multi Disciplinary Team	266,526	16,640	283,166	269,155
Bereavement & Therapeutic Services	156,920	15,482	172,402	97,146
	<b>1,718,797</b>	<b>1,096,349</b>	<b>2,815,146</b>	<b>2,894,208</b>
<i>Total 2020</i>	<i>1,701,649</i>	<i>1,192,559</i>	<i>2,894,208</i>	

**THE HARTLEPOOL HOSPICE LIMITED T/A ALICE HOUSE HOSPICE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

Analysis of direct costs	In Patient	Out Patient	Medical	Disciplinary	Bereavement	Total	Total
	Unit 2021 £	Unit 2021 £	2021 £	Team 2021 £	2021 £	funds 2021 £	funds 2020 £
Staff costs	1,007,913	3,531	125,375	257,791	152,825	1,547,435	1,505,409
Consumables	36,085	-	-	-	354	36,439	45,712
Drugs	-	-	61,943	-	-	61,943	59,523
Equipment and maintenance	23,946	-	-	-	2	23,948	10,906
Medical and professional fees	3,700	-	31,304	8,735	3,026	46,765	73,947
Travel	821	-	-	-	-	821	5,543
Office costs and sundries	733	-	-	-	713	1,446	609
<b>Total 2021</b>	<b>1,073,198</b>	<b>3,531</b>	<b>218,622</b>	<b>266,526</b>	<b>156,920</b>	<b>1,718,797</b>	<b>1,701,649</b>
<b>Total 2020</b>	<b>1,052,080</b>	<b>128,304</b>	<b>185,231</b>	<b>252,962</b>	<b>83,072</b>	<b>1,701,649</b>	

**THE HARTLEPOOL HOSPICE LIMITED T/A ALICE HOUSE HOSPICE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**Analysis of Support costs**

	In Patient Unit 2021 £	Out Patient Unit 2021 £	Medical 2021 £	Disciplinary Team 2021 £	Bereaveme nt 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	648,552	3,764	11,608	9,945	9,084	682,953	684,293
Depreciation	114,327	1,257	2,512	2,512	2,512	123,120	151,859
Kitchen	29,066	-	297	297	-	29,660	64,682
Administration	20,865	-	435	219	217	21,736	29,351
Human resources	8,062	-	83	81	83	8,309	17,185
Management costs	37,194	407	819	819	819	40,058	66,665
Facilities	93,867	3,026	1,008	1,008	1,008	99,917	92,021
IT/Communications	76,980	-	1,672	1,672	1,672	81,996	78,128
Governance costs	8,254	-	172	87	87	8,600	8,375
<b>Total 2021</b>	<b>1,037,167</b>	<b>8,454</b>	<b>18,606</b>	<b>16,640</b>	<b>15,482</b>	<b>1,096,349</b>	<b>1,192,559</b>
<b>Total 2020</b>	<b>1,069,543</b>	<b>73,665</b>	<b>19,084</b>	<b>16,193</b>	<b>14,074</b>	<b>1,192,559</b>	

Support costs have been allocated to activities based on the staff numbers and hours involved in the activities.

**THE HARTLEPOOL HOSPICE LIMITED T/A ALICE HOUSE HOSPICE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**10. AUDITORS' REMUNERATION**

	2021 £	2020 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	8,180	7,870
Fees payable to the Charity's auditor in respect of: All non-audit services not included above	50	135
	8,230	8,005

**11. STAFF COSTS**

	2021 £	2020 £
Wages and salaries	2,304,336	2,293,177
Social security costs	173,560	169,482
Contribution to defined contribution pension schemes	86,097	81,219
	2,563,993	2,543,878

The average number of persons employed by the Charity during the year was as follows:

	2021 No.	2020 No.
Communications	4	3
Fundraising	20	21
Management & administration	9	11
In Patient Unit	57	58
Out Patient Unit	1	4
Medical	2	2
Multi Disciplinary Team	6	6
Support staff	20	21
Bereavement	9	4
	128	130

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**THE HARTLEPOOL HOSPICE LIMITED T/A ALICE HOUSE HOSPICE**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**11. STAFF COSTS (CONTINUED)**

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021 No.	2020 No.
In the band £70,001 - £80,000	1	1

The total remuneration paid to key management personnel (including national insurance and pension contributions) was £452,296 (2020: £394,046).

Contributions were made to defined benefit pension schemes on behalf of higher paid employees.

The Charity also uses the services of volunteers who assist in the charity shops.

**12. COUNCIL MEMBERS' REMUNERATION AND EXPENSES**

During the year, no Council Members received any remuneration or other benefits (2020 - *£NIL*).

During the year ended 31 March 2021, no Council Member expenses have been incurred (2020 - *£NIL*).

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**13. TANGIBLE FIXED ASSETS**

	Freehold land & property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Other fixed assets £	Total £
<b>Cost</b>						
At 1 April 2020	3,729,234	39,708	337,452	137,730	-	4,244,124
Additions	2,056	49,020	71,941	25,464	102,968	251,449
At 31 March 2021	<u>3,731,290</u>	<u>88,728</u>	<u>409,393</u>	<u>163,194</u>	<u>102,968</u>	<u>4,495,573</u>
<b>Depreciation</b>						
At 1 April 2020	627,057	35,926	176,539	106,876	-	946,398
Charge for the year	75,690	10,201	51,208	21,372	7,269	165,740
At 31 March 2021	<u>702,747</u>	<u>46,127</u>	<u>227,747</u>	<u>128,248</u>	<u>7,269</u>	<u>1,112,138</u>
<b>Net book value</b>						
At 31 March 2021	<u>3,028,543</u>	<u>42,601</u>	<u>181,646</u>	<u>34,946</u>	<u>95,699</u>	<u>3,383,435</u>
At 31 March 2020	<u>3,102,177</u>	<u>3,782</u>	<u>160,913</u>	<u>30,854</u>	<u>-</u>	<u>3,297,726</u>

Included in freehold land & property is freehold land of £375,000 (2020: £375,000) which is not depreciated.

Included within the net book value of assets is £42,601 (2020 – £nil) relating to assets held under hire purchase agreements.

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**14. FIXED ASSET INVESTMENTS**

	<b>Investments in subsidiary companies £</b>
<b>Cost</b>	
At 1 April 2020	100
<b>At 31 March 2021</b>	<u>100</u>
<b>Net book value</b>	
At 31 March 2021	100
At 31 March 2020	<u>100</u>

**PRINCIPAL SUBSIDIARIES**

The following was a subsidiary undertaking of the Charity:

<b>Name</b>	<b>Registered office or principal place of business</b>	<b>Class of shares</b>	<b>Holding</b>
Alice House Trading Limited (dormant) company number 07170334	Alice House, Wells Avenue, Hartlepool, Cleveland, TS24 9DA	Ordinary	<b>100%</b>

The financial results of the subsidiary for the year were:

<b>Name</b>	<b>Net assets £</b>
Alice House Trading Limited (dormant) company number 07170334	<b>3,998</b>

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**15. DEBTORS**

	2021 £	2020 £
Trade debtors	56,967	129,182
Other debtors	31,636	50,395
Prepayments	35,254	63,548
Accrued income	275,410	291,013
	399,267	534,138

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021 £	2020 £
Bank loans	80,625	61,324
Trade creditors	123,953	104,485
Pension creditor	16,129	15,916
Amounts owed to group undertakings	3,998	3,998
Other taxation and social security	41,055	42,926
Obligations under finance lease and hire purchase contracts	9,804	-
Other creditors	2,381	7,106
Deferred income	23,012	24,930
Accruals	15,086	11,145
	316,043	271,830

	2021 £	2020 £
Deferred income at 1 April 2020	24,930	33,497
Resources deferred during the year	23,012	24,930
Amounts released from previous periods	(24,930)	(33,497)
	23,012	24,930

Deferred income relates to Lottery money paid in advance.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank loans	<b>713,051</b>	<b>544,221</b>
Net obligations under finance lease and hire purchase contracts	<b>30,228</b>	<b>-</b>
	<b>743,279</b>	<b>544,221</b>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Payable or repayable by Instalments	<b>239,539</b>	<b>278,297</b>
	<b>239,539</b>	<b>278,297</b>

The bank loan is repayable in monthly instalments ending February 2028. Interest is charged at 3.365% per annum.

The Coronavirus Business Interruption Loan is repayable in monthly instalments ending November 2026. Interest is charged at 2% above the base rate per annum.

The bank loans are secured by a fixed and floating unlimited debenture and a charge over the land and buildings owned at The University Hospital of Hartlepool.

The hire purchase agreement is secured over the assets to which the agreement relates.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**18. STATEMENT OF FUNDS**

**STATEMENT OF FUNDS - CURRENT YEAR**

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers In/out £	Balance at 31 March 2021 £
<b>Designated funds</b>					
Covid retail grants	150,000	-	(150,000)	-	-
<b>General funds</b>					
General funds	2,452,852	2,204,937	(1,760,208)	17,163	2,914,744
<b>Total unrestricted funds</b>	<b>2,602,852</b>	<b>2,204,937</b>	<b>(1,910,208)</b>	<b>17,163</b>	<b>2,914,744</b>
<b>Restricted funds</b>					
Restricted appeal funds	3,961	33,150	(37,111)	-	-
Primary Care Trust	-	777,822	(777,822)	-	-
Pharmacy income	-	52,278	(52,278)	-	-
Capital fund	5,700	11,791	(328)	(17,163)	-
Help the Hospices - fixed asset fund	456,450	-	(10,200)	-	446,250
National Health Service England	-	631,092	(631,092)	-	-
	<b>466,111</b>	<b>1,506,133</b>	<b>(1,508,831)</b>	<b>(17,163)</b>	<b>446,250</b>
<b>Total of funds</b>	<b>3,068,963</b>	<b>3,711,070</b>	<b>(3,419,039)</b>	<b>-</b>	<b>3,360,994</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**18. STATEMENT OF FUNDS (CONTINUED)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers In/out £</i>	<i>Balance at 31 March 2020 £</i>
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
Covid retail grants	-	150,000	-	-	150,000
<b>General funds</b>					
General funds	2,583,065	2,627,658	(2,765,671)	7,800	2,452,852
<b>Total Unrestricted funds</b>	<u>2,583,065</u>	<u>2,777,658</u>	<u>(2,765,671)</u>	<u>7,800</u>	<u>2,602,852</u>
<b>Restricted funds</b>					
Restricted appeal funds	6,000	41,961	(44,000)	-	3,961
Primary Care Trust	-	718,032	(718,032)	-	-
Pharmacy income	-	52,280	(52,280)	-	-
Capital fund	4,000	9,500	-	(7,800)	5,700
Help the Hospices - fixed asset fund	464,100	-	(7,650)	-	456,450
	<u>474,100</u>	<u>821,773</u>	<u>(821,962)</u>	<u>(7,800)</u>	<u>466,111</u>
<b>Total of funds</b>	<u><u>3,057,165</u></u>	<u><u>3,599,431</u></u>	<u><u>(3,587,633)</u></u>	<u><u>-</u></u>	<u><u>3,068,963</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**STATEMENT OF FUNDS - (CONTINUED)**

**Designated funds**

Income received in respect of Covid retail grants was fully spent in the year on the costs of maintaining the shops throughout the national lockdowns.

**Restricted funds**

Restricted appeal funds in the year includes small grants received subject to restrictions. The amounts received were fully spent in the year.

Funding received and attributed directly to charitable activities has been shown as restricted. This includes monies from Durham Dales, Easington and Sedgefield Clinical Commissioning Group, the Hartlepool & Stockton Clinical Commissioning Group, and the Tees Valley CCG which totalled £777,822. The capital fund represents income received for the purchase of fixed assets. Funds received towards new mattresses and IT equipment were fully spent the year.

Pharmacy income represents income from drugs purchased and recharged of £52,278.

The fixed asset fund represents a grant of £510,000 received from the Help the Hospices Fund (NHS England) towards the capital costs of the new Wellbeing Centre. This fund is depreciated in line with the asset.

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

**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

	<b>Restricted funds 2021 £</b>	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Tangible fixed assets	446,250	2,937,185	3,383,435
Fixed asset investments	-	100	100
Current assets	-	1,043,269	1,043,269
Creditors due within one year	-	(316,043)	(316,043)
Creditors due in more than one year	-	(743,279)	(743,279)
Provisions for liabilities and charges	-	(6,488)	(6,488)
<b>Total</b>	<b>446,250</b>	<b>2,914,744</b>	<b>3,360,994</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	456,450	2,841,276	3,297,726
Fixed asset investments	-	100	100
Current assets	9,661	585,215	594,876
Creditors due within one year	-	(271,830)	(271,830)
Creditors due in more than one year	-	(544,221)	(544,221)
Provisions for liabilities and charges	-	(7,688)	(7,688)
<b>Total</b>	<b>466,111</b>	<b>2,602,852</b>	<b>3,068,963</b>

**20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>2021 £</b>	<b>2020 £</b>
Net income for the year (as per Statement of Financial Activities)	<b>292,031</b>	11,798
<b>Adjustments for:</b>		
Depreciation charges	<b>165,740</b>	191,967
Decrease/(increase) in debtors	<b>134,871</b>	(242,163)
Increase in creditors	<b>13,908</b>	72,299
<b>Net cash provided by operating activities</b>	<b>606,550</b>	<b>33,901</b>

**21. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2021 £</b>	<b>2020 £</b>
Cash in hand	<b>644,002</b>	60,738
<b>Total cash and cash equivalents</b>	<b>644,002</b>	<b>60,738</b>

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**22. ANALYSIS OF CHANGES IN NET DEBT**

	At 1 April 2020	Cash flows	New finance leases	At 31 March 2021
	£	£	£	£
Cash at bank and in hand	60,738	583,264	-	644,002
Debt due within 1 year	(61,324)	(19,301)	-	(80,625)
Debt due after 1 year	(544,221)	(168,830)	-	(713,051)
Finance leases	-	-	(40,032)	(40,032)
	<u>(544,807)</u>	<u>395,133</u>	<u>(40,032)</u>	<u>(189,706)</u>

**23. CONTINGENT LIABILITIES**

Included in the 2005 financial statements was a grant of £500,000 from the Big Lottery Fund towards the capital costs of the new hospice. This grant agreement remains in force for a period of 80 years and the grant may become repayable if there is a breach of the terms and conditions in this period.

During the financial year 2013/14 and 2014/15 the Hospice received a grant totalling £510,000 from the Help the Hospices Fund (NHS England) towards the capital costs of the new Wellbeing Centre. In the event that the Hospice closes down or the building ceases to be used for the purpose of palliative care of patients, NHS England shall have the right to repayment of all monies advanced under this grant, subject to a reduction reflecting benefits from services already delivered.

**24. CAPITAL COMMITMENTS**

At 31 March 2021 the Charity had capital commitments as follows:

	2021	2020
	£	£
Contracted for but not provided in these financial statements	<u>4,439</u>	<u>-</u>

**25. PENSION COMMITMENTS**

The pension cost charge represents contributions payable by the group and amounted to £86,097 (2020: £81,219). Contributions totalling £16,129 (2020: £15,916) were payable at the balance sheet date and are included in creditors.

The group is also making deficit payments and has included the net present value of these payments, £6,488 (2020: £7,688) in provisions.

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**25. PENSION COMMITMENTS (CONTINUED)**

**The Pensions Trust**

The company participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 31 January 2025: £11,243,000 per annum  
(payable monthly and increasing by 3% each on 1st April)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the Charity has agreed to a deficit funding arrangement the Charity recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

	<b>31 March 2021</b>	31 March 2020	31 March 2019
	(£)	(£)	(£)
Present value of provision	<b>6,488</b>	7,688	9,326

**RECONCILIATION OF OPENING AND CLOSING PROVISIONS**

	<b>Year Ending 31 March 2021</b>	Year Ending 31 March 2020
	(£)	(£)
Provision at start of period	<b>7,688</b>	9,326
Unwinding of the discount factor (interest expense)	<b>172</b>	118
Deficit contribution paid	<b>(1,594)</b>	(1,548)
Remeasurements - impact of any change in assumptions	<b>222</b>	(208)
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	<b>6,488</b>	7,688

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**25. PENSION COMMITMENTS (CONTINUED)**

**INCOME AND EXPENDITURE IMPACT**

	Year Ending 31 March 2021 (£)	Year Ending 31 March 2020 (£)
Interest expense	172	118
Remeasurements – Impact of any change in assumptions	222	(208)
Remeasurements – amendments to the contribution schedule	-	-

**ASSUMPTIONS**

	31 March 2021 % per annum	31 March 2020 % per annum	31 March 2019 % per annum
Rate of discount	0.66	2.53	1.39

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The charity also makes contributions to the National Health Service Pension Scheme but is not required to make deficit contributions.

**26. OPERATING LEASE COMMITMENTS**

At 31 March 2021 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	58,031	72,515
Later than 1 year and not later than 5 years	3,480	8,210
	<u>61,511</u>	<u>80,725</u>

**27. RELATED PARTY TRANSACTIONS**

During the year the charity paid £13,432 for rent and insurance (2020: £13,385) to a Council Member.

**28. GENERAL RESERVES**

At 31 March 2021 there is a deficit on unrestricted free reserves of £22,541. Excluding the long term bank loans and the pension deficit, there is a surplus of £696,998.