

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 2022**

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**THE HARTLEPOOL HOSPICE LIMITED T/A ALICE HOUSE HOSPICE**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS COUNCIL MEMBERS AND  
ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**Council Members**

Mr R Priestman, Chair  
Mrs L Jones, Vice chair  
Mr F M Gibbon  
Mrs J Regan, Treasurer  
Mr C Shotton  
Dr R Armstrong (resigned 29 July 2021)  
Mr J F Ainslie  
Mrs A Barber  
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 retired September 2022

Co- chief executive officers (appointed September 2022):

Sandra Britten  
Nicola Haggan

**Independent Auditors**

Waltons Business Advisers 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

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS COUNCIL MEMBERS AND  
ADVISERS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2022

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**Senior Manager Finance**

Mrs K Burrell

**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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**COUNCIL MEMBERS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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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 2022. 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 two 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.

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 2022**

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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 Senior Management Team 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

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**COUNCIL MEMBERS' REPORT (CONTINUED)**  
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**Objectives and Activities**

Objects, objectives and principal activities of the Charity

The purpose of any Hospice is to provide good end of life and palliative care in line with contractual agreements with our commissioners. Other elements of the organisation such as fundraising and retail exist to cover the shortfall of government funding, which in the case of Alice House equates to around 80%. New Statutory Guidance around the commissioning of Hospices and specialist palliative care provision has been published on 20 July 2022 however, to date, this has not been fully embraced by the newly formed Integrated Care Systems, which replaced the previous Clinical Commissioning Groups on 1 July 2022. The Health & Care Act 2022 states that it is a legal duty for Integrated Care Boards to commission palliative care services under S3(1) NHS Act 2006 (as amended):

- (1) An Integrated Care Board must arrange for the provision of the following to such extent as it considers necessary to meet the reasonable requirements of the people for whom it has responsibility:
  - (h) Such other services or facilities for palliative care as the board considers are appropriate as part of the health service.

The duty is intended to ensure that the palliative and end of life care needs of people of all ages, with progressive illness or those nearing the end of their lives, and their loved ones and carers, receive the care and support they need to live and to die well.

Alice House Hospice has experienced significant pressure over the last 2 years due to the inability of another local hospice to provide care and the consequential demand on our beds. Through the partnership working of Tees Valley Hospices, we have been able to secure additional temporary funding for increasing our specialist beds to meet demand. Additionally, we have inputted into and influenced the work of NHS Tees Valley Clinical Commissioning Group's End of Life & Palliative Care Review, which to date has not been published. We will continue to monitor capacity and demand for future commissioning discussions.

Alice House has worked closely with North Tees & Hartlepool NHS Foundation Trust and has been commissioned to provide a 2 hour rapid response/24 hour admissions service, 7 days per week (initially from 08:00-20:00) and staff wellbeing services to help NHS staff cope with the stresses and strains of work and life through holistic therapies. The funding for the out-of-hours admission service was received in May 2022 and it is anticipated that the Hospice will start delivering this service from October 2022, subject to recruiting additional medical and nursing staff. The NHS staff wellbeing services will start to be delivered from September 2022 following agreement of the referral pathway and services to be provided on a group and individual basis.

In December 2021 the Government announced additional funding in response to the Omicron Variant of Covid-19, covering the period 13 December 2021 to 31 March 2022, in return for full utilisation of palliative and end of life care capacity within hospices and community providers. The funding was managed by Hospice UK through NHS England, from which the Hospice received £191,141.

These additional income streams have started and will continue to bridge the gap in the deficit in fundraising income, which is a direct correlation to the squeezes being placed on society and in particular the poorer areas with much less disposable income. We are still experiencing the impact of the Coronavirus Pandemic on our organisation in many ways, from manpower availability to donations. The upside to the increased deprivation in our areas is that our retail sector is thriving with people looking for a bargain.

All good organisations use checks and balances aligned with expanding opportunities to be successful and Alice House Hospice does this very well.

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 2022**

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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**

As the future of Hospice care evolves in the constantly changing health environment, we have developed positive and effective working relationships that ensure cross organisational integration and representation through different working groups, to identify pressures and inadequacies in the healthcare system and to generate innovative solutions to patient service problems.

The Hospice's Five Year Strategy 2020-2025 recognises that while our services need to be varied and transformative, they also need to be responsive and support the overall health economy. The Hospice has therefore identified the following 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.

The following departmental sub strategies have also been developed, with their objectives aligning to the strategic goals of the Hospice's Five Year Strategy 2020-2025:

- Clinical
- Therapeutic Support Services
- Information Governance & Technology
- Human Resources
- Communications
- Fundraising
- Retail
- Finance

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**COUNCIL MEMBERS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**Activities for Achieving Objectives**

Prior to Covid-19 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.

**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 Engagement Officer through Microsoft Teams and have contacted them for advice when necessary.

There has been no formal complaints made in the previous 12 months.

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.

The Board have identified and will be commencing a review of the Hospice's governance processes to ensure that they remain 'fit for purpose' and are equipped to lead the Hospice within a framework of prudent and effective controls, enabling risk to be assessed and managed. Trustees will be using the Charity Governance Code for Larger Charities (Charity Governance Code Steering Group, refreshed Code published December 2020) as the audit tool, which will be completed during 2022/2023.

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**COUNCIL MEMBERS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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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 continued to work with the NHS Tees Valley Clinical Commissioning Group on educating care homes.

The Hospice also continues to be an integral partner of Hospices North East & North Cumbria, who take a partnership approach to improving palliative and end of life care for all patients, regardless of demography or diagnosis.

The Government's Kickstart Scheme has enabled the Hospice to provide 93 young people with placements ranging from retail, facilities, holistic therapies, virtual reality, catering and digital communications. This has provided meaningful positive work experience for young people who have struggled to find employment and has equipped them with valuable training and qualifications.

### **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 £663k. With free reserves (after removing long term liabilities) of £512k the Charity is behind target. The Charity expects to build the reserves over the next year to support the Charity as it recovers income streams post Covid-19.

Aspirational objectives for reserves: The Charity aims to become financially independent of Clinical Commissioning Group contracts as a security measure against diminishing contract values and the uncertainty of the level of tariff funding arising from the End of Life & Palliative Care Review. Nevertheless it will still seek appropriate contracts to advance patient services. The achievement of this will be through the continuation of regular monitoring of financial management.

#### **Financial Review and Results for the Year**

The Charity has made a surplus before depreciation of £55,821 but after depreciation a deficit of £135,647 has been declared. The impact of the Covid-19 pandemic has still been significant along with the rising cost of inflation with donations income (fallen by £89k) and Events Income (compared to pre-Covid a fall of £40k) due to government restrictions. However, the Charity has received support in the form of additional Hospice funding (£191k) 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 2.9% to £3.8m, while expenditure on charitable activities increased by 1.77% to £2.865m. After taking depreciation into account total resources expended of £4.0m (2021: £3.4m) resulted in a net deficit for the year of £136k (2021: £292k surplus).

Income received in furtherance of charitable objects totalled £1.4m. Expenditure incurred on furthering charitable objects was £2.9m. The Charity supports its charitable activities with successful fundraising activities, including charity shops and a lottery.

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**COUNCIL MEMBERS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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Fundraising activities, donations and legacies generated a surplus of unrestricted income of £867k to be used to pursue charitable activities.

£657k of grants were received to support the work of the Hospice, this included £443k of Kickstart monies.

The lottery generated a surplus of £155k (2021: £145k) and Trading Activities generated a surplus of £73k (2021: £14k).

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

Total reserves stand at £3.2m (2021: £3.3m), including £439k of restricted reserves.

At 31 March 2022 there is a deficit on unrestricted free reserves of £87k. 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 £512k.

#### **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**

The Hospice's Fundraising Sub Strategy 2020-2025 has the following objectives:

- Develop strong partnerships with organisations and individuals.
- Be proactive, research and implement opportunities to embrace the current climate.
- Develop sustainable corporate relationships.
- Ensure our approach to fundraising is respectful and non-aggressive and compliant with the Fundraising Regulator.
- Promote the Hospice in a positive and professional manner

Fundraising is starting to recover from the Coronavirus Pandemic and has been welcomed back into schools, colleges and businesses. A full calendar of events has started to show a steady increase in participants as the year has progressed, although attendance is not yet back to pre-pandemic levels.

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.

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**COUNCIL MEMBERS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**Plans for the Future**

The Hospice has prioritised the following three domains of Patient Safety, Clinical Effectiveness and Patient Experience:

- **Implementation of an Electronic Recording System for Clinical Incidents (Patient Safety)**  
Following a process mapping exercise in December 2021, it was identified that the implementation of an electronic accident and incident recording system would prove a more efficient and safe way of managing accidents and incidents. An internal clinical incident database will be developed and rolled out during 2022/2023.
- **SystemOne Hospital Palliative Care Module (Clinical Effectiveness)**  
The Hospice currently enters all referrals and admissions in to the Hospital Palliative Care Module of SystemOne, with a limited number of trained clinicians able to view patient information. Staff training will be completed during 2022/2023 to enable all relevant clinical staff to be able to access SystemOne. It will be a longer term objective (18-24 months) to complete the business mapping/change process which will move all of the Hospice's clinical records over to the Hospital Palliative Care Module of SystemOne.
- **Rapid Response/24 Hour Admissions (Patient Experience)**  
The introduction of a 2 hour rapid response/24 hour admission procedure will enable the Hospice to support national and system commitments within the NHS England and NHS Improvement 'Urgent & Emergency Care Recovery 10 Point Action Plan – Implementation Guide (Working Together to Ensure Urgent and Emergency Care Recovery)', namely:
  - Point 2 - Supporting primary care and community health services to help manage the demand for UEC services.
    - The national commitment will continue to support systems and providers with the roll out of two-hour crises response (UCR) services at scale, ensuring provision is 7 days a week and a minimum of 8.00a.m. to 8.00p.m., along with enabling the diversifying referral routes into two-hour services from 111, 999 and other services to support admission avoidance and care in the right place.
    - Alice House has worked closely with North Tees & Hartlepool NHS Foundation Trust and has been commissioned during 2022/2023 to provide out-of-hours admissions, 7 days per week (initially from 08:00-20:00). The Hospice will initially provide 2 beds for out-of-hours patients who are at the end of life and it is hoped that all pathways will be in place to commence the service from October 2022. More longer term plans will include moving towards admitting patients 24 hours of the day, for which ongoing funding will need to be secured.
  - Point 6 - Improving in-hospital flow and discharge.
    - The national commitment seeks to reduce the demand of palliative and end of life patients attending A&E and subsequent admission to an Acute bed.
    - Alice House Hospice will move towards accepting 24 hour referrals from relevant sources during 2022/2023.

Attended Day Hospice services have been closed since the start of the Coronavirus Pandemic in March 2020, with patients receiving regular telephone support from the Nurse Practitioner. Following a consultation on the redesign of Day Hospice in 2021, an outpatient pilot was implemented, however, feedback from service users indicated that they would prefer an attended in-house service where they could have social interaction with other Day Hospice patients. Day Hospice will therefore be returning to the previous in-house attended model in September 2022.

The Hospice will continue to develop and grow Hartlepool Holistic Wellbeing Centre to provide an income stream into the Hospice through the provision of Holistic Therapies to improve and enhance physical, emotional and psychological health and wellbeing of people in our local communities. Through funding received from NHS North Tees & Hartlepool NHS Foundation Trust, the Hospice's Therapeutic Support Team will deliver staff wellbeing services to help NHS staff cope with the stresses and strains of work and life through holistic therapies.

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**COUNCIL MEMBERS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**Post year end events**

It was with great sadness that in August 2022 the Hospice's Board of Trustees made the decision to close NEVRlabs, which was set-up by the Hospice as a fundraising initiative. The project was a response to traditional fundraising methods which were severely compromised during the Covid-19 lockdown periods and was intended as a new and sustainable way of creating revenue, whilst introducing a new audience to the Hospice. However, despite regular custom and a number of successful partnerships with schools and businesses, NEVRlabs was unable to attract the level of income needed to support the Hospice. The ongoing impact of Covid-19, cost of living crisis and the end of the Government's Kickstart Scheme in September 2022, which provided funding for many of NEVRlabs staff, resulted in the closure of NEVRlabs on 14 August 2022. Like many organisations in Hartlepool and beyond, the Hospice must invest carefully and focus on its priorities. As the economy continues to head towards further uncertainty, Trustees reviewed their commitments and felt that it was the most financially responsible thing to do in order to help protect the future of the Hospice. The difficult decision was therefore made to close NEVRlabs and move all virtual reality services back to the Hospice, thereby returning the project to its original focus of offering entertainment and wellbeing support to Hospice patients. Any equipment from NEVRlabs that will not be used within the Hospice will be sold, with all funds being directed towards patient care.

Tracy Woodall has been in post as Chief Executive since 17 November 2008 and due to ill health made the difficult decision to retire in September 2022. Trustees have appointed a joint leadership role, with Sandra Britten as Chief Executive Operational and Nicola Haggan as Chief Executive Non-Operational. Both incumbents have long-term knowledge of the Hospice (since September 2000 and April 2002 respectively), its workings, its threats and failures, but also a realistic approach to solutions and opportunities. They are also familiar trusted faces to restore and maintain employee morale and bring stability at a time of economic uncertainty. The joint Chief Executive roles will also bring a more stable leadership structure and long-term cost savings as both will continue to carry out the duties of their original substantive posts (Deputy Chief Executive/Director of Information Governance and Deputy Chief Executive/Senior Manager Corporate Services), removing the need for the post of Deputy Chief Executive. As the UK continues to emerge from the impact of the Coronavirus Pandemic and begins to feel the deepening weight of the cost of living crisis, the priority for the Chief Executive Operational and Chief Executive Non-Operational will be a more risk adverse approach to ensure that the Hospice's foundations are solid and can withstand the perfect storm affecting the economy before exploring future potential development opportunities.

**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 2022**

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**Council Members' 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**

As a result of a change in auditors' name, from 1 March 2022 Waltons Clark Whitehill Limited became Waltons Business Advisers Limited.

The auditors, Waltons Business Advisers 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 24 / 11 / 2022 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**  
**(A company limited by guarantee)**

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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 2022 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 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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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**THE HARTLEPOOL HOSPICE LIMITED T/A ALICE HOUSE HOSPICE**  
**(A company limited by guarantee)**

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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.

**RESPONSIBILITIES OF COUNCIL MEMBERS**

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

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

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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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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.

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.

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

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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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**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 Business Advisers Limited**

Chartered Accountants

Statutory Auditors

Maritime House

Harbour Walk

The Marina

Hartlepool

TS24 0UX

Date: 28 November 2022

**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 2022**

	Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>INCOME FROM:</b>					
Donations and legacies	4	516,709	886,114	1,402,823	1,284,768
Charitable activities	5	933,064	505,440	1,438,504	1,759,772
Other trading activities	6	-	978,726	978,726	666,530
<b>TOTAL INCOME</b>		<b>1,449,773</b>	<b>2,370,280</b>	<b>3,820,053</b>	<b>3,711,070</b>
<b>EXPENDITURE ON:</b>					
Raising funds	8	291,269	804,128	1,095,397	603,893
Charitable activities	9	1,153,366	1,711,592	2,864,958	2,815,146
<b>TOTAL EXPENDITURE</b>		<b>1,444,635</b>	<b>2,515,720</b>	<b>3,960,355</b>	<b>3,419,039</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>5,138</b>	<b>(145,440)</b>	<b>(140,302)</b>	<b>292,031</b>
Transfers between funds	19	(11,954)	11,954	-	-
<b>NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS</b>		<b>(6,816)</b>	<b>(133,486)</b>	<b>(140,302)</b>	<b>292,031</b>
<b>OTHER RECOGNISED GAINS:</b>					
Other gains	26	-	4,655	4,655	-
<b>NET MOVEMENT IN FUNDS</b>		<b>(6,816)</b>	<b>(128,831)</b>	<b>(135,647)</b>	<b>292,031</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		446,250	2,914,744	3,360,994	3,068,963
Net movement in funds		(6,816)	(128,831)	(135,647)	292,031
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>439,434</b>	<b>2,785,913</b>	<b>3,225,347</b>	<b>3,360,994</b>

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

The notes on pages 21 to 46 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 2022**

	Note	2022 £	2021 £
<b>FIXED ASSETS</b>			
Tangible assets	14	3,309,093	3,383,435
Investments	15	100	100
		<u>3,309,193</u>	<u>3,383,535</u>
<b>CURRENT ASSETS</b>			
Debtors	16	500,537	399,267
Cash at bank and in hand	22	493,379	644,002
		<u>993,916</u>	<u>1,043,269</u>
Creditors: amounts falling due within one year	17	(458,344)	(316,043)
		<u>535,572</u>	<u>727,226</u>
<b>NET CURRENT ASSETS</b>		<b>535,572</b>	<b>727,226</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>3,844,765</b>	<b>4,110,761</b>
Creditors: amounts falling due after more than one year	18	(617,585)	(743,279)
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>		<b>3,227,180</b>	<b>3,367,482</b>
Defined benefit pension scheme liability	26	(1,833)	(6,488)
<b>TOTAL NET ASSETS</b>		<b>3,225,347</b>	<b>3,360,994</b>
<b>CHARITY FUNDS</b>			
Restricted funds	19	439,434	446,250
Unrestricted funds	19	2,785,913	2,914,744
<b>TOTAL FUNDS</b>		<b>3,225,347</b>	<b>3,360,994</b>

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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 2022

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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: 24/11/2022



**Mrs J Regan**  
Treasurer

The notes on pages 21 to 46 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 2022**

	Note	2022 £	2021 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash used in operating activities	21	66,897	606,550
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of tangible fixed assets	14	(125,795)	(251,449)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>			
		(125,795)	(251,449)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash inflows from new borrowing		-	250,000
Repayments of borrowing		(81,922)	(61,869)
New finance leases		-	49,020
Repayments of finance leases		(9,803)	(8,988)
<b>NET CASH (USED IN)/PROVIDED BY FINANCING ACTIVITIES</b>			
		(91,725)	228,163
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>			
Cash and cash equivalents at the beginning of the year		644,002	60,738
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>			
	22	493,379	644,002

The notes on pages 21 to 46 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 2022**

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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.

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 2022**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.3 Going concern**

The Charity had some highly ambitious plans and commitments promised in this year which have not come to fruition. Despite this, the careful management of the organisation's finances and the work of the Senior Management Team and the Board have enabled the Hospice to maintain its solid financial position.

Management prepare and monitor budgets and cashflow forecasts and take action as necessary.

The Council Members note the challenge that has presented itself in terms of rising utilities costs. Management have identified this and will adjust expenditure elsewhere accordingly.

The Hospice works tirelessly to ensure its services reflect local need and that it influences the local palliative care agenda through partnership working and high quality services, including temporary expansion of the specialist bed base.

The Council Members have confidence in the ability of the charity to remain a going concern.

**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 2022**

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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

**2.7 Investments**

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

**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.

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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 2022**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**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.

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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 2022**

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**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. Critical accounting estimates and areas of judgment**

The Hospice received funding in the year through the Kickstart Scheme. Hartlepool Hospice acted as a lead organisation for this funding receiving income to pass on to other Hospices in the area.

It is the view of the Trustees that it is misleading to include these amounts within income and expenditure as they would distort the figures and not present a true and fair view.

They have therefore only included as income that funding received directly for employees taken on in the Hospice and the administration of the scheme.

Had all of the income received been included total income would increase by £58,162 and expenditure would also increase by £58,162. There would be no overall impact on the deficit for the year or the total closing reserves.

**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 2022**

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

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Coronavirus job retention scheme funding	-	33,293	33,293	160,950
Donations	-	573,841	573,841	662,590
Legacies	-	166,508	166,508	108,196
Grants	516,709	83,322	600,031	198,216
Other Covid-19 grants	-	23,850	23,850	116,962
Similar incoming resources	-	5,300	5,300	37,854
<b>Total 2022</b>	<b>516,709</b>	<b>886,114</b>	<b>1,402,823</b>	<b>1,284,768</b>
<i>Total 2021</i>	<i>44,941</i>	<i>1,239,827</i>	<i>1,284,768</i>	

In 2022 there is £442,659 included in grant income which was received from the Kickstart scheme.

**5. INCOME FROM CHARITABLE ACTIVITIES**

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
In Patient Unit	620,679	301,969	922,648	938,226
Out Patient Unit	-	-	-	48,817
Medical	86,762	-	86,762	91,169
Multi Disciplinary Team	34,482	-	34,482	38,891
Bereavement	-	142,329	142,329	11,577
National Health Service England	191,141	-	191,141	631,092
Insurance income	-	61,142	61,142	-
<b>Total 2022</b>	<b>933,064</b>	<b>505,440</b>	<b>1,438,504</b>	<b>1,759,772</b>
<i>Total 2021</i>	<i>1,461,192</i>	<i>298,580</i>	<i>1,759,772</i>	

NHS England (NHSE) awarded funding towards the hospice providing patient care to support the NHS Covid-19 response from December 2021 to March 2022 to provide support to people with complex needs in the context of the Covid-19 situation and to provide bed capacity and community support.

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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 2022

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6. FUNDRAISING INCOME

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Lottery	243,567	243,567	238,663
Fundraising events	119,026	119,026	69,292
Kitchen income	21,010	21,010	11,750
Charity shop takings	569,537	569,537	339,562
Catering and merchandising income	12,086	12,086	7,263
VR centre	13,500	13,500	-
<b>Total 2022</b>	<b>978,726</b>	<b>978,726</b>	<b>666,530</b>
<i>Total 2021</i>	<i>666,530</i>	<i>666,530</i>	

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**7. TRADING ACTIVITIES**

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
<b>Charity trading income</b>				
Charity shop takings	-	569,537	569,537	339,562
Catering and merchandising income	-	12,086	12,086	7,263
VR centre	-	13,500	13,500	-
Sub total trading income	-	595,123	595,123	346,825
Grant income included in note 2	291,269	-	291,269	-
Total income	291,269	595,123	886,392	346,825
<b>Fundraising trading expenses</b>				
Charity shop costs	-	133,905	133,905	101,746
VR centre costs	-	77,605	77,605	6,856
Catering and merchandising costs	-	4,106	4,106	4,055
Salaries	291,269	306,222	597,491	220,209
Total expenditure	291,269	521,838	813,107	332,866
Net income from trading activities	-	73,285	73,285	13,959
Total 2021	-	13,959	13,959	

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**8. COST OF RAISING FUNDS**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Fundraising expenditure	36,473	-	36,473	17,573
Lottery costs	89,010	-	89,010	93,856
Support costs allocated	8,187	-	8,187	6,094
Wages and salaries	108,512	-	108,512	113,396
Depreciation	40,108	-	40,108	40,108
Fundraising trading expenses (note 7)	521,838	291,269	813,107	332,866
<b>Total 2022</b>	<b>804,128</b>	<b>291,269</b>	<b>1,095,397</b>	<b>603,893</b>
<i>Total 2021</i>	<i>603,893</i>	<i>-</i>	<i>603,893</i>	

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

**Summary by fund type**

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total 2022 £	Total 2021 £
In Patient Unit	989,199	1,126,135	2,115,334	2,110,365
Out Patient Unit	-	-	-	11,985
Medical	96,319	153,509	249,828	237,228
Multi Disciplinary Team	45,039	226,409	271,448	283,166
Bereavement & Therapeutic Services	22,809	205,539	228,348	172,402
<b>Total 2022</b>	<b>1,153,366</b>	<b>1,711,592</b>	<b>2,864,958</b>	<b>2,815,146</b>
<i>Total 2021</i>	<i>1,508,831</i>	<i>1,306,315</i>	<i>2,815,146</i>	

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NOTES TO THE FINANCIAL STATEMENTS  
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10. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
In Patient Unit	999,549	1,115,785	2,115,334	2,110,365
Out Patient Unit	-	-	-	11,985
Medical	227,997	21,831	249,828	237,228
Multi Disciplinary Team	251,398	20,050	271,448	283,166
Bereavement & Therapeutic Services	209,671	18,677	228,348	172,402
<b>Total 2022</b>	<b>1,688,615</b>	<b>1,176,343</b>	<b>2,864,958</b>	<b>2,815,146</b>
<i>Total 2021</i>	<i>1,718,797</i>	<i>1,096,349</i>	<i>2,815,146</i>	

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Analysis of direct costs	In Patient Unit		Out Patient Unit		Medical		Disciplinary Team		Multi		Bereavement & Therapeutic Services		Total funds		
	2022	£	2022	£	2022	£	2022	£	2022	£	2022	£	2022	£	2021
Staff costs	933,457		-		133,905		239,764		197,677		1,504,803		1,547,435		
Consumables	21,651		-		-		-		980		22,631		36,439		
Drugs	-		-		63,140		-		-		63,140		61,943		
Equipment and maintenance	21,494		-		-		-		255		21,749		23,948		
Medical and professional fees	18,295		-		30,952		11,634		6,021		66,902		46,765		
Travel	154		-		-		-		540		694		821		
Office costs and sundries	4,498		-		-		-		1,264		5,762		1,446		
Facilities	-		-		-		-		2,934		2,934		-		
<b>Total 2022</b>	<b>999,549</b>		<b>-</b>		<b>227,997</b>		<b>251,398</b>		<b>209,671</b>		<b>1,688,615</b>		<b>1,718,797</b>		
<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>				

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**Analysis of Support costs**

	In Patient Unit 2022 £	Out Patient Unit 2022 £	Medical 2022 £	Disciplinary Team 2022 £	Multi Bereavement & Therapeutic Services 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	664,136	-	12,598	11,134	10,172	698,040	682,953
Depreciation	139,248	-	3,028	3,028	3,028	148,332	123,120
Kitchen	40,135	-	411	411	-	40,957	29,660
Administration	21,553	-	449	224	224	22,450	21,736
Human resources	8,614	-	90	90	90	8,884	8,309
Management costs	40,035	-	869	869	869	42,642	40,058
Facilities	105,630	-	2,297	2,297	2,297	112,521	99,917
IT/Communications	87,507	-	1,903	1,903	1,903	93,216	81,996
Governance costs	8,927	-	186	94	94	9,301	8,600
<b>Total 2022</b>	<b>1,115,785</b>	<b>-</b>	<b>21,831</b>	<b>20,050</b>	<b>18,677</b>	<b>1,176,343</b>	<b>1,096,349</b>
<i>Total 2021</i>	<i>1,037,167</i>	<i>8,454</i>	<i>18,606</i>	<i>16,640</i>	<i>15,482</i>	<i>1,096,349</i>	

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

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**11. AUDITORS' REMUNERATION**

	2022 £	2021 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	8,580	8,180
Fees payable to the Charity's auditor in respect of: All non-audit services not included above	55	50
	8,635	8,230

**12. STAFF COSTS**

	2022 £	2021 £
Wages and salaries	2,634,522	2,304,336
Social security costs	190,384	173,560
Contribution to defined contribution pension schemes	83,940	86,097
	2,908,846	2,563,993

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

	2022 No.	2021 No.
Communications	3	4
Fundraising	24	20
Management & administration	10	9
In Patient Unit	55	57
Out Patient Unit	-	1
Medical	2	2
Multi Disciplinary Team	5	6
Support staff	18	20
Bereavement	10	9
Kickstart	32	-
	159	128

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**12. STAFF COSTS (CONTINUED)**

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

	<b>2022</b>	<i>2021</i>
	<b>No.</b>	<i>No.</i>
In the band £60,001 - £70,000	<b>1</b>	<i>-</i>
In the band £70,001 - £80,000	<b>1</b>	<i>1</i>

The total remuneration paid to key management personnel (including national insurance and pension contributions) was £456,864 (2021: £452,296).

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.

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

During the year, no Council Members received any remuneration or other benefits (2021 - *£NIL*).

During the year ended 31 March 2022, no Council Member expenses have been incurred (2021 - *£NIL*).

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**14. TANGIBLE FIXED ASSETS**

	Freehold land & property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 April 2021	3,731,290	88,728	409,393	266,162	4,495,573
Additions	-	-	34,115	91,680	125,795
Disposals	-	-	-	(10,403)	(10,403)
At 31 March 2022	<u>3,731,290</u>	<u>88,728</u>	<u>443,508</u>	<u>347,439</u>	<u>4,610,965</u>
<b>Depreciation</b>					
At 1 April 2021	702,747	46,127	227,747	135,517	1,112,138
Charge for the year	75,706	7,003	45,307	63,452	191,468
On disposals	-	-	-	(1,734)	(1,734)
At 31 March 2022	<u>778,453</u>	<u>53,130</u>	<u>273,054</u>	<u>197,235</u>	<u>1,301,872</u>
<b>Net book value</b>					
At 31 March 2022	<u>2,952,837</u>	<u>35,598</u>	<u>170,454</u>	<u>150,204</u>	<u>3,309,093</u>
At 31 March 2021	<u>3,028,543</u>	<u>42,601</u>	<u>181,646</u>	<u>130,645</u>	<u>3,383,435</u>

Included in freehold land & property is freehold land of £375,000 (2021: £375,000) which is not depreciated.

Included within the net book value of assets is £35,598 (2021 – £42,601) relating to assets held under hire purchase agreements.

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15. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 April 2021	100
At 31 March 2022	100
<b>Net book value</b>	
At 31 March 2022	100
At 31 March 2021	100

**PRINCIPAL SUBSIDIARIES**

The following was a subsidiary undertaking of the Charity:

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

The financial results of the subsidiary for the year were:

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

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**16. DEBTORS**

	2022 £	2021 £
Trade debtors	106,553	56,967
Other debtors	3,227	31,636
Prepayments	56,483	35,254
Accrued income	334,274	275,410
	500,537	399,267
	500,537	399,267

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

	2022 £	2021 £
Bank loans	114,594	80,625
Trade creditors	63,625	123,953
Pension creditor	18,275	16,129
Amounts owed to group undertakings	3,998	3,998
Other taxation and social security	53,166	41,055
Obligations under finance lease and hire purchase contracts	9,804	9,804
Other creditors	157,940	2,381
Deferred income	24,716	23,012
Accruals	12,226	15,086
	458,344	316,043
	458,344	316,043

	2022 £	2021 £
Deferred income at 1 April 2021	23,012	24,930
Resources deferred during the year	24,716	23,012
Amounts released from previous periods	(23,012)	(24,930)
	24,716	23,012
	24,716	23,012

Deferred income relates to Lottery money paid in advance.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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

	<b>2022</b>	<i>2021</i>
	<b>£</b>	<b>£</b>
Bank loans	<b>597,160</b>	<i>713,051</i>
Net obligations under finance lease and hire purchase contracts	<b>20,425</b>	<i>30,228</i>
	<b><u>617,585</u></b>	<i><u>743,279</u></i>

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

	<b>2022</b>	<i>2021</i>
	<b>£</b>	<b>£</b>
Payable or repayable by instalments	<b>130,298</b>	<i>239,539</i>
	<b><u>130,298</u></b>	<i><u>239,539</u></i>

The bank loans are repayable in monthly instalments ending March 2028 and June 2029 respectively. Interest is charged at the Bank of England base rate plus 2% 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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**19. STATEMENT OF FUNDS**

**STATEMENT OF FUNDS - CURRENT YEAR**

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
General funds	2,914,744	2,370,280	(2,515,720)	11,954	4,655	2,785,913
<b>Restricted funds</b>						
Restricted appeal funds	-	62,096	(58,712)	-	-	3,384
Primary Care Trust	-	689,643	(689,643)	-	-	-
Pharmacy income	-	52,280	(52,280)	-	-	-
Capital fund	-	11,954	-	(11,954)	-	-
Help the Hospices - fixed asset fund	446,250	-	(10,200)	-	-	436,050
National Health Service England	-	191,141	(191,141)	-	-	-
Kickstart funding	-	442,659	(442,659)	-	-	-
	<u>446,250</u>	<u>1,449,773</u>	<u>(1,444,635)</u>	<u>(11,954)</u>	<u>-</u>	<u>439,434</u>
<b>Total of funds</b>	<u><u>3,360,994</u></u>	<u><u>3,820,053</u></u>	<u><u>(3,960,355)</u></u>	<u><u>-</u></u>	<u><u>4,655</u></u>	<u><u>3,225,347</u></u>

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

**STATEMENT OF FUNDS - PRIOR YEAR**

	<i>Balance at 1 April 2020</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Transfers in/out</i> £	<i>Balance at 31 March 2021</i> £
<b>Unrestricted funds</b>					
<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)	-	-
	466,111	1,506,133	(1,508,831)	(17,163)	446,250
<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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**STATEMENT OF FUNDS - (CONTINUED)**

**Restricted funds**

Restricted appeal funds in the year includes small grants received subject to restrictions. A balance of £3,384 received from the Odin Charitable Trust towards oxygen therapy remains to be spent in the new year.

Funding received and attributed directly to charitable activities has been shown as restricted. This includes monies from Durham Dales, Easington and Sedgfield Clinical Commissioning Group, and the Hartlepool & Stockton Clinical Commissioning Group which totalled £689,643

The capital fund represents grants received for the purchase of fixed assets. Funds received towards new mattresses and recliner chairs were fully spent the year.

Pharmacy income represents income from drugs purchased and recharged of £52,280.

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.

NHS England (NHSE) awarded funding towards the hospice providing patient care to support the NHS COVID-19 response from December 2021 to March 2022 to provide support to people with complex needs in the context of the Covid-19 situation and to provide bed capacity and community support.

Funding to support unemployment people gain employment placements through the Government Kickstart scheme. This has been administered to other organisations to provide employment opportunities in accordance with the scheme.

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

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

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	436,050	2,873,043	3,309,093
Fixed asset investments	-	100	100
Current assets	3,384	990,532	993,916
Creditors due within one year	-	(458,344)	(458,344)
Creditors due in more than one year	-	(617,585)	(617,585)
Provisions for liabilities and charges	-	(1,833)	(1,833)
<b>Total</b>	<b>439,434</b>	<b>2,785,913</b>	<b>3,225,347</b>

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**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)**

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

	<i>Restricted funds 2021 £</i>	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
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>	<u>446,250</u>	<u>2,914,744</u>	<u>3,360,994</u>

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

	<b>2022 £</b>	<b>2021 £</b>
Net income/expenditure for the year (as per Statement of Financial Activities)	<u>(140,302)</u>	<u>292,031</u>
<b>Adjustments for:</b>		
Depreciation charges	191,468	165,740
Loss on the sale of fixed assets	8,669	-
Decrease/(increase) in debtors	(101,270)	134,871
Increase in creditors	103,677	13,908
Gain on pension deficit	4,655	-
<b>Net cash provided by operating activities</b>	<u>66,897</u>	<u>606,550</u>

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**22. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2022 £	2021 £
Cash in hand	493,379	644,002
<b>Total cash and cash equivalents</b>	<b>493,379</b>	<b>644,002</b>

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

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	644,002	(150,623)	493,379
Debt due within 1 year	(80,625)	(33,969)	(114,594)
Debt due after 1 year	(713,051)	115,891	(597,160)
Finance leases	(40,032)	9,803	(30,229)
	<b>(189,706)</b>	<b>(58,898)</b>	<b>(248,604)</b>

**24. 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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**25. CAPITAL COMMITMENTS**

At 31 March 2022 the Charity had capital commitments as follows:

	2022 £	2021 £
Contracted for but not provided in these financial statements	-	4,439

**26. PENSION COMMITMENTS**

The pension cost charge represents contributions payable by the Charity and amounted to £83,940 (2021: £86,097). Contributions totalling £18,275 (2021: £16,129) were payable at the balance sheet date and are included in creditors.

The Charity is also making deficit payments and has included the net present value of these payments, £1,833 (2021: £6,488) in provisions.

**The Pensions Trust**

The Charity participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the Charity 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 Charity 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 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. 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 2022 to 31 January 2025: £3,312,000 per annum (payable monthly)

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

Note that the scheme's previous valuation was carried out with an effective date of 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 asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions  
From 1 April 2019 to 30 September 2025: £11,243,000 per annum  
(payable monthly and increasing by 3% each on 1st April)

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**NOTES TO THE FINANCIAL STATEMENTS  
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**26. PENSION COMMITMENTS (CONTINUED)**

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 2022</b>	31 March 2021	31 March 2020
	(£)	(£)	(£)
Present value of provision	<b>1,833</b>	6,488	7,688

**RECONCILIATION OF OPENING AND CLOSING PROVISIONS**

	<b>Year Ending 31 March 2022</b>	Year Ending 31 March 2021
	(£)	(£)
Provision at start of period	<b>6,488</b>	7,688
Unwinding of the discount factor (interest expense)	<b>37</b>	172
Deficit contribution paid	<b>(1,642)</b>	(1,594)
Remeasurements - impact of any change in assumptions	<b>(42)</b>	222
Remeasurements - amendments to the contribution schedule	<b>(3,008)</b>	-
Provision at end of period	<b>1,833</b>	6,488

**INCOME AND EXPENDITURE IMPACT**

	<b>Year Ending 31 March 2022</b>	Year Ending 31 March 2021
	(£)	(£)
Interest expense	<b>37</b>	172
Remeasurements – impact of any change in assumptions	<b>(42)</b>	222
Remeasurements – amendments to the contribution schedule	<b>(3,008)</b>	-

**ASSUMPTIONS**

	<b>31 March 2022</b>	31 March 2021	31 March 2020
	% per annum	% per annum	% per annum
Rate of discount	<b>2.35</b>	0.66	2.53

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.

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**27. OPERATING LEASE COMMITMENTS**

At 31 March 2022 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Not later than 1 year	<b>93,430</b>	<b>58,031</b>
Later than 1 year and not later than 5 years	<b>31,595</b>	<b>3,480</b>
Later than 5 years	<b>824</b>	<b>-</b>
	<b>125,849</b>	<b>61,511</b>

**28. RELATED PARTY TRANSACTIONS**

During the year the charity paid £13,427 for rent and insurance (2021: £13,432) to a Council Member.

**29. GENERAL RESERVES**

At 31 March 2022 there is a deficit on unrestricted free reserves of £87,230. Excluding the long term bank loans and the pension deficit, there is a surplus of £511,763.