

Co's House

Butterwick Limited

**Consolidated
Financial Statements**

31 March 2014

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Butterwick
Hospice Care

Company Registration Number 2979587

Charity Number 1044816

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Members Of The Board And Professional Advisers

The trustees, who are also directors of the charity for the purposes of the Companies Act, have pleasure in presenting their report and the financial statements of the charity for the year ended 31 March 2014. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005 in preparing the report and the financial statements.

REFERENCE AND ADMINISTRATIVE INFORMATION

Charity name	Butterwick Limited
Charity registration number	1044816
Company registration number	2979587
Registered office	Middlefield Road Stockton on Tees TS19 8XN
Trustees	Dr A W Dellipiani (Resigned 2 July 2013) E L Gilliland (Resigned 2 July 2013) Mrs J C Hunter J P Bury Dr E Lee P Langdon Mrs B S Blakey Dr D Carr Dr N G Reynolds (Appointed 2 July 2013)
Company Secretary	B Brown
Chief Executive	G Leggatt-Chidgey
Auditors	Davies Tracey Chartered Accountants & Statutory Auditor Swan House Westpoint Road Teesdale Business Park Stockton on Tees TS17 6BP
Bankers	Barclays Bank plc 49 High Street Stockton on Tees TS18 1AH
Solicitors	Archers Law LLP Lakeside House Kingfisher Way Stockton on Tees TS18 3NB

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION AND OBJECTIVES

Butterwick Limited is a charitable company limited by guarantee (incorporated October 1994) and as such is governed by a Memorandum and Articles of Association. It was registered by the Charity Commission on 7th March 1995, registration number 1044816.

The company's objectives (as amended in January 1995) are the operation and provision of palliative care facilities and services for patients suffering from life threatening and limiting illness; along with related education into palliative care.

ORGANISATION

The company operates using the name Butterwick Hospice Care incorporating the Butterwick Hospice, Stockton on Tees; the Butterwick Hospice at Bishop Auckland and the Butterwick House Children's Hospice.

The company is organised so that the trustees meet quarterly to manage its affairs; the trustees receive quarterly written reports from the Chief Executive and the senior managers, which incorporate management accounts and reports on the company's activities and progress in meeting pre-identified objectives.

There are two sub-committees, chaired by trustees which meet quarterly; the Finance and General Purpose Committee, and the Clinical Strategy and Governance Committee. The minutes of both committee meetings are circulated, together with supporting documentation, to all trustees for consideration at their quarterly meetings.

The Finance and General Purpose Committee has general oversight of non-clinical matters including finance, fundraising, personnel, voluntary services, Health and Safety, risk management and maintenance of the company's buildings. It is chaired by a Trustee, a Chartered Accountant, and a second trustee, a Solicitor, is also a member. It is attended by the Chief Executive, the Director of Finance and other members of the company's non-clinical management team. A key role of the committee is to scrutinise the company's operational and capital budget and recommend same for approval by the Board. Secondly, the committee reviews the company's detailed quarterly management accounts showing actual income and expenditure compared to budget.

The Clinical Strategy and Governance Committee, which also acts as the Clinical Governance Committee, has general oversight of all matters of a clinical nature including quality, audit and the development, delivery and monitoring of patient services. It is chaired by a clinically qualified Trustee, attended by three additional trustees with clinical expertise, the Chief Executive, the Director of Patient Care and Service Development, the Hospice Physician and the nursing leads of both adult and children's services.

The trustees additionally meet for a half day annually each Spring, with the Chief Executive and the management team, to review each area of the company's activities, establish strategic and operational priorities and agree a Business Plan and Budget for the ensuing year.

The agreed strategic and operational objectives are then disseminated across the company to staff and volunteers by the distribution of executive summaries of the Business Plan and by a series of internal meetings.

TRUSTEES

The trustees are drawn from a variety of disciplines with the aim of ensuring that the company has strong and informed leadership.

When a vacancy occurs, the Chairman undertakes a skills audit to ascertain what particular expertise and background is desirable and a search committee is formed to seek a suitable new recruit.

Trustees are given an induction on joining the Board, the content of which is tailored to their particular existing skills and interests. The trustees are kept abreast of news and developments within the wider charity and hospice world by the receipt of regular briefings and the circulation of relevant Charity Commission and other publications. Trustees are also given the opportunity of attending appropriate local and national seminars and conferences.

The trustees continue to review the company's governance arrangements, including the term of office of trustees, and to consider models of best practice.

The Trustees have agreed to follow the "Good Governance, A Code for the Voluntary and Community Sector" (Second Edition, October 2010).

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

We, the directors of the company who held office at the date of approval of these financial statements, as set out on page 1, each confirm so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

NETWORKING : Relationships with other charities and organisations

Within its charitable objectives and resources, the company seeks to play a leading role within the local healthcare and voluntary sectors in the geographical and specialist areas in which it operates.

The company in particular works closely and productively with the local NHS Clinical Commissioning Groups, the local NHS Foundation Trust and with neighbouring hospices and other local charities.

The company also works with local Universities and other education institutions in providing training, education and placement opportunities at both undergraduate and post graduate level to healthcare professionals.

Nationally, in particular, the company works with Hospice UK (formerly Help the Hospices), which is a national membership charity working on behalf of the hospice movement and Together for Short Lives which is a membership charity working on behalf of children's hospices.

Within the Butterwick Hospice at Bishop Auckland, the company also accommodates the local NHS employed Macmillan Nursing Team.

RISK MANAGEMENT

The company has policies, procedures, systems and controls in place to mitigate operational risks.

Five key areas of risk have been identified which are subject to rigorous risk assessment and management:

- Clinical : including emergency preparedness
- Property : including security, fire and maintenance
- Financial : including income generation, and budgetary control and insurance
- Personnel : including volunteers
- Information Technology : including security of data

Risk management is reviewed annually by the trustees and measurable objectives are incorporated into the Business Plan. The trustees receive a detailed annual Risk Management Report supplemented by quarterly updates and copies of all external inspection reports.

A risk awareness culture is embedded within the day to day working methods and thinking of the company's staff and volunteers. The company employs a part-time Health and Safety Manager and has a Health and Safety Committee which has cross-organisational representation.

STAFF AND VOLUNTEERS

To enable it to achieve its charitable objectives, including the generation of sufficient financial resources to fund its activities, the company and its trading subsidiaries employ 174 staff (approximately 114 full time equivalent) and an additional 42 bank staff who work in clinical areas to cover staff holidays and sickness. The company additionally has the generous support of some 668 volunteers who assist in every area of the company's activities filling over 775 roles.

The company is fully compliant with the provisions of the Health and Social Care Act 2008 (Regulated Activities) Regulations 2010 and the Care Quality Commission (Registration) Regulations 2009 which requires inter alia that anybody who has contact with children or vulnerable adults should be subject to Disclosure and Barring Service checks using both enhanced and standard disclosure, before employment in either a paid or voluntary capacity.

The company recognises and acknowledges that it is dependent upon staff and volunteers, who have the necessary training and expertise, if it is to meet the needs of the patients which it serves and their families and carers. To this end the company invests both in initial induction training and ongoing continuing development for all staff and volunteers.

The company uses volunteers in every area of its activities including within clinical and income generation. Their contribution to the work of the company is considerable in financial terms. However, their greatest value is that they represent the community that supports Butterwick Hospice Care and for this dedication we offer our sincere thanks.

It is calculated that in the year volunteers in total worked approximately 165,000 hours for the company and its subsidiaries. At the National Minimum Wage, applicable at the year end, this equates to a contribution by the volunteers of some £1,041,150.

The company is both an accredited "Investor in People" and an "Investor in Volunteering".

In many areas of the company's work, the demands can be both emotionally and physically draining. Staff and volunteers are dedicated and habitually "go the extra mile" as is reflected in the many letters of appreciation which we receive. In supporting and equipping staff and volunteers to meet these demands, the company provides a range of mechanisms ranging from informal peer support to Clinical Supervision.

All members of staff have an annual 'Individual Development Review' which allows the opportunity to discuss work related issues, the needs of the company and ongoing personal development.

The company is proud of the skills, dedication and loyalty of its staff and volunteers and grateful for this contribution to the company meeting its charitable and operational objectives.

REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS

The trustees have considered the Charity Commission's guidance on public benefit when reviewing the company's aims and objectives and in planning future activities.

In meeting its charitable objectives:

"Butterwick Hospice Care endeavours to freely provide an excellence in evidence based specialist and holistic palliative care for all patients regardless of age or diagnosis; to be a centre of expertise and a specialist resource within the community as a whole.

The care is provided by a skilled multidisciplinary team and is supported by a wider organisation of administrative, finance and fundraising staff and a dedicated force of volunteers.

We value communication both within the organisation and with external agencies, and strive to provide for the needs of the local community."

In doing this the company operates in three district areas:

1. The Butterwick Hospice, Stockton on Tees
2. The Butterwick Hospice in Bishop Auckland
3. The Butterwick House Children's Hospice

THE BUTTERWICK HOSPICE, STOCKTON ON TEES

This is a ten bedded in-patient unit and a twenty place day hospice for adult patients drawn mainly from the Stockton on Tees Borough Council largely urban area but additionally to a lesser degree from the more rural adjacent County Durham.

An important and substantial element of Hospice care is the provision of bereavement support and counselling to the patients and their families as detailed in patient activity information below.

THE BUTTERWICK HOSPICE AT BISHOP AUCKLAND

Unlike the Hospice in Stockton which serves a largely urban area, the Hospice in Bishop Auckland serves a mainly dispersed rural community. In doing so the company has developed, in partnership with statutory and other voluntary bodies, services which meet these distinct needs.

The Hospice in Bishop Auckland serves the communities of Sedgefield, Wear Valley, Weardale and Teesdale. It does this by providing a Day Hospice in Bishop Auckland and Outreach Day Hospices within the NHS community hospitals in Sedgefield, Stanhope and Barnard Castle.

Recognising the distinct healthcare needs of the area, the company has also developed specialist neurological services focussed on patients, in particular, suffering from Multiple Sclerosis and their carers.

The company is working closely with the local Clinical Commissioning Groups and other voluntary sector organisations to further address the palliative care needs in the area.

The company also operates a Palliative Home Care Team which supports patients, on a 24 hour basis, and their carers in their own homes.

THE BUTTERWICK HOUSE CHILDREN'S HOSPICE

Based in Stockton on Tees, adjacent to the adult hospice, Butterwick House offers a specialist service, in a home from home environment, to children between birth and nineteen years of age, suffering a life limiting illness.

The children are drawn from a wide geographical area from North Yorkshire in the South, Tees Valley, County Durham to Wearside in the North.

Butterwick House is a four bedded unit, with day care facilities, which primarily offers planned specialist respite care but also crisis and terminal care as necessary.

On 22nd March 2013 the company was advised that it had successfully bid for a grant of £365,821 from NHS England to finance the construction and equipping of an extension to Butterwick House to provide specialist accommodation for teenagers and young adults suffering life limiting progressive illnesses.

Works commenced on the construction during the year under review and were completed shortly after the year end. Subsequent to this, the company's registration of Butterwick House with the Care Quality Commission was amended and the age range extended from birth to twenty-five years of age.

In all areas of operation, alongside specialist medical and nursing care, the Hospice provides a comprehensive range of services to patients and their families including complementary and other therapies, bereavement and spiritual support, counselling and benefits advice.

The company seeks to optimise the use of its facilities and make best use of the resources which it expends. Detailed records of patient related activity are maintained and the trustees receive regular reports in this respect.

The Hospice continues to work closely with other healthcare providers (both voluntary organisations and the National Health Service) to ensure that its current services and developments align with national and locally identified priorities.

SUMMARY OF PATIENT ACTIVITY AND PUBLIC BENEFIT

The trustees believe the company provides a public benefit by offering palliative care to adults and children who are resident in the areas of North Yorkshire, Teesside, County Durham and Wearside and who are suffering from a life limiting illness. People access our services by means of referral by their GP, hospital consultant or clinical nurse specialist. Admission to our services is determined only by clinical and psychological need without reference to gender, race or faith. **The Hospice's services are free of charge to patients and their families.**

Through its various services the Hospice delivered care to some 2,100 patients in the year (Note: a number of patients will have received care and support from more than one Hospice Service).

In the year, 128 adults were admitted to the in-patient unit and these patients received a total of 2,052 nights of care.

A total of 78 patients attended the Stockton Day Hospice on a total of 1,715 occasions.

Continuing with adult services provided in Stockton:

A total of 437 sessions of physiotherapy were delivered in the year.

A total of 2,242 complementary therapy treatments were delivered in the year, to 109 new referrals to the service.

At Stockton, the Hospice developed two additional new services in the year. Firstly, bereavement care was extended to provide support to additional patients, not already accessing Hospice services, by referral from local GP Practices. In the period to 31st March 2014, 64 patients received counselling. Secondly, a Neurological First Contact Group was established which meets on a weekly basis and is attended by 14 patients who in the year also received 243 sessions of complementary therapies

Within **Butterwick House Children's Hospice**, 58 children and their families received a total of 1,013 episodes of care.

The **Butterwick Hospice at Bishop Auckland** supported a total of 639 patients in the year.

The Palliative Home Care Team supported a total of 128 patients in their own homes, providing a total of 7,218 hours of care on 973 separate occasions.

Bereavement Services and Family Support was accessed by 275 patients (261 in the previous year) who received 466 home visits and a total of 781 'contacts'. There were 784 attendances at the Bishop Auckland 'drop in' sessions.

Patients received a total of 2,911 Complementary Therapies treatments in the year.

A total of 106 patients attended the neurological day Hospice service on a total of 688 occasions, this compares to only 17 patients accessing the service seven years ago

SUBSIDIARY UNDERTAKINGS

Butterwick Hospice Retail Limited, Butterwick Lotteries Limited and Seven Wellbeing Centre Limited, companies incorporated in England and Wales, are wholly owned subsidiary undertakings of the company. The majority of profits chargeable to corporation tax of both these companies are paid to the charity under Gift Aid. The principal activity of Butterwick Hospice Retail Limited is the operation of retail charity shops selling donated goods and merchandise. The principal activity of Butterwick Lotteries is the operation of a lottery. The principal activity of Seven Wellbeing Centre Limited is the provision of complementary therapies and training courses.

FINANCIAL REVIEW

The Consolidated Statement of Financial Activities, on page 10 of these financial statements sets out the results of these activities directly carried out by Butterwick Limited (Butterwick Hospice Care: Butterwick Hospice at Stockton on Tees, Butterwick Hospice at Bishop Auckland and Butterwick House, Children's Hospice) as well as those of which Butterwick Limited is ultimately in control either as a corporate trustee (John Butterwick Trust Day Care Centre and Hospice) or as a parent company (Butterwick Lotteries Limited, Butterwick Hospice Retail Limited and Seven Wellbeing Centre Limited). The statement also includes the charity's share of the results of a joint venture, North East Hospices Lottery Limited, in which it has a 25% interest.

The Trust's function is to hold the properties at Stockton, all day to day running being handled by Butterwick Limited.

The operation of the charity is partly funded from the local National Health Service (Clinical Commissioning Groups, formally Primary Care Trusts), with the majority of the funds being raised by fundraising activities, the securing of grants and by the receipt of donations and legacies, and the operations of the subsidiary companies.

The company employs a team of fundraisers who work across the geographical area from which the Hospice draws patients. The fundraising team is performance managed against an annual fundraising plan which is approved by the trustees as an integral part of the company's Business Plan.

In raising funds the company faces increasing competition from both local and national charities for finite resources. The company is equally not insulated from the general national economic climate. The fundraising team work innovatively and creatively to maintain the Hospice profile and arrange numerous events and other opportunities for the public to support the charity.

The Hospice is fortunate in receiving the ongoing support of many individuals, organisations and companies who give generously to ensure that the charity is able to continue its work.

The trustees wish to thank all donors, supporters and volunteers for their generosity of both funds and time. We believe that Stockton, Bishop Auckland and their surrounding areas have facilities which will be of enduring benefit to their residents, and this would not have been possible without the efforts of many in giving freely of their time, money, goods and services.

In the year the charity spent £3,012,329 on charitable activities compared to £3,061,564 in the previous year.

The retail shops operated under Butterwick Hospice Retail Limited contributed £103,835 (£67,421 after deduction of internal administration and management costs) compared to £78,538 in the previous year. In addition, during the year, the company sold items donated to Butterwick Hospice which realised a further £136,348 on which the Charity recovered Gift Aid totalling £34,091. The company's direct and indirect support of Butterwick Hospice, in the year, therefore totalled £274,274 (£237,860 after internal costs). The sales of these donated items together with the Gift Aid recovered (a total of £170,439) is included in the Donations figure of £679,981, note 2.

Butterwick Lotteries Limited contributed to the charity £313,019 in the year ended 31 December 2013 (£285,425 after deduction of internal administration and management costs) compared to £305,251 in the year ended 31 December 2012. This company also administers a lottery on behalf of North East Hospices Lottery Limited (NEHL). NEHL profits are divided between four local North East Hospices including the Butterwick Hospice at Bishop Auckland. This lottery generated £72,102 to this charity in the year ended 31 December 2013 (£74,288 year ended 31 December 2012).

The general economic climate continues to impact negatively on the charity's ability to generate fundraising income from both general donations and fundraising events. However, gross voluntary and fundraising income in the year (excluding that generated from the sale of donated retail items) was £2,312,471 compared to £1,963,423 in the year ended 31 March 2013. Net of expenses, fundraising income was £1,455,341 in 2013/14 compared to £1,159,404 in 2012/13.

The charity remains confident that its investment in fundraising activities will result in the generation of increased fundraising income in subsequent years. As detailed in last years report, in late 2013 the Chief Executive undertook a complete review of the Charity's fundraising activities. In early 2014 this piece of work was expanded into additionally identifying cost savings across the company, which could be made without impacting on patient services. The conclusion of this was a restructuring of the Fundraising Department and a cost reduction plan to reduce annual expenditure in 2014/15 by some £115,000 net of associated costs which would save some £200,000 in a full financial year. This has been fully achieved prior to the signing of this report.

The charity's success depends heavily upon the generosity of the community which it serves and the success of its fundraising activities.

Department of Health and NHS Clinical Commissioning Group funding for revenue purposes increased in the year to £1,335,000 from £1,289,228 in 2012/13.

In the year ended 31 March 2014 the charity operated at a surplus of £289,248 after a depreciation charge of £189,049. This compares to a deficit in 2012/13 of £90,150.

As reported last year, the company's bank balances had become severely reduced as a result of operational deficits and capital expenditure in previous years. To ensure that the company could meet its commitments as they became payable, the Directors had arranged overdraft facilities with Barclays Bank, for working capital, which are secured by a Debenture on the company's assets.

At the date of signing this report a facility of £100,000 is available but is not being utilised.

As a result of sustained income streams and the cost savings previously detailed, a cash flow projection covering the period through to the end of November 2015 forecasts a more positive outlook for available funds.

The Directors priority is to strengthen the company's cash liquidity by optimising income generation, as detailed above, and by keeping under close review both revenue and capital expenditure levels to ensure that these are accommodated within projected levels of income thus allowing cash surpluses to be generated.

The trustees and the senior executives are focussed on building upon the success of recent years to ensure the long term security of the charity and the care it provides to its patients and their families; we are determined these aims will be achieved.

RESERVES

The charitable group's reserves have been severely depleted as a result of operational deficits in recent years coupled with capital expenditure as mentioned immediately above.

The trustees' policy is to strengthen the charity's financial position by rebuilding reserves from operational surpluses at a rate of at least £50,000 per annum. Recognising our continued dependence upon unpredictable charitable activity and support, and the current annual revenue budget, the trustees have concluded that it would be prudent and realistic, at the current time, to incrementally create a reserve equating to six months operational costs.

In the current year it has not been possible to make a transfer to reserve.

A key priority for the trustees is to build cash reserves in line with their above policy.

FIXED ASSETS

The movements in fixed assets during the year are set out in note 6 to the financial statements.

RESPONSIBILITIES OF THE TRUSTEES

The trustees (who are also directors of Butterwick Limited for the purposes of company law) are responsible for preparing the Trustees Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

By order of the board



J P BUBA

17 November 2014

Independent Auditors Report to the Members and Trustees of Butterwick Limited

We have audited the financial statements of Butterwick Limited for the year ended 31 March 2014 set out on pages 10 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 and to the charitable company's trustees, as a body, in accordance with regulations made under Section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2014, and of the group's 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 and the Charities Act 2011.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



.....
Craig McBride (Senior Statutory Auditor)
for and on behalf of

DAVIES TRACEY
Chartered Accountants and Statutory Auditor
Swan House
Westpoint Road
Teesdale Business Park
Stockton on Tees
TS17 6BP

28 | 11 2014

Davies Tracey is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Butterwick Limited

Consolidated Statement Of Financial Activities (Incorporating an Income and Expenditure Account)
Year Ended 31 March 2014

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2014 £	Total Funds 2013 £
Incoming resources						
<i>Incoming resources from generated funds</i>						
<i>Voluntary income</i>						
Donations, legacies and similar incoming resources	2	2,000	1,645,857	-	1,647,857	1,262,472
<i>Activities for generating funds</i>						
Fundraising	2	-	835,053	-	835,053	894,655
Charity shops		396,152	324,680	-	720,832	701,660
Lotteries		546,206	143,052	-	689,258	733,392
Wellbeing centre		57,616	-	-	57,616	49,067
Interest receivable		-	24	-	24	57
Sundry income		48,243	-	-	48,243	27,284
Group share of incoming resources from joint venture		-	(143,052)	-	(143,052)	(151,365)
<i>Incoming resources from charitable activities</i>						
Department of Health Section 64 Grant		-	190,852	-	190,852	190,852
NHS Primary Care Trusts		-	1,144,148	-	1,144,148	1,098,376
Total incoming resources		1,050,217	4,140,614	-	5,190,831	4,806,450
Resources expended						
<i>Cost of generating funds</i>						
Fundraising and publicity	2	31	857,096	-	857,127	804,019
Charity shops		328,395	325,016	-	653,411	665,122
Lotteries		260,781	-	-	260,781	276,776
Wellbeing centre		76,978	-	-	76,978	53,135
<i>Charitable activities</i>						
Hospice running costs		48,735	2,963,594	-	3,012,329	3,061,564
<i>Governance costs</i>						
		648	111,603	-	112,251	110,400
<i>Taxation</i>						
		808	-	-	808	807
Total resources expended	3	716,376	4,257,309	-	4,973,685	4,971,823
Net incoming resources/ (resources expended)		333,841	(116,695)	-	217,146	(165,373)
Group share of net incoming resources from joint ventures		-	72,102	-	72,102	74,288
Transfers	13	(225,000)	225,000	-	-	-
		108,841	180,407	-	289,248	(91,085)
Unrealised gain/(loss) on investment assets		-	-	-	-	935
Net movement in funds		108,841	180,407	-	289,248	(90,150)
At 1 April 2013	13	<u>71,295</u>	<u>2,527,910</u>	<u>50,961</u>	<u>2,650,166</u>	<u>2,740,316</u>
At 31 March 2014	13	<u>180,136</u>	<u>2,708,317</u>	<u>50,961</u>	<u>2,939,414</u>	<u>2,650,166</u>

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above.

The notes form part of these financial statements.

Butterwick Limited

Statement of Total Recognised Gains and Losses
Year Ended 31 March 2014

	2014	2013
	£	£
Surplus/(deficit) for the year	289,248	(91,085)
Unrealised gain on investment	<u>-</u>	<u>935</u>
Total gains and (losses) recognised since 31 March 2013	<u>289,248</u>	<u>(90,150)</u>

All activities relate to continuing operations.

The notes form part of these financial statements.

Butterwick Limited

**Consolidated and Charitable Company Balance Sheets
Year Ended 31 March 2014**

		2014		2013	
	Note	Group £	Company £	Group £	Company £
FIXED ASSETS					
Tangible assets	6	3,297,547	1,177,263	3,107,587	1,251,163
Investments	7	<u>4,626</u>	<u>4,631</u>	<u>4,846</u>	<u>4,631</u>
		<u>3,302,173</u>	<u>1,181,894</u>	<u>3,112,433</u>	<u>1,255,794</u>
CURRENT ASSET					
Stocks	8	14,893	3,718	24,536	3,844
Debtors	9	300,600	446,288	283,224	388,399
Cash at bank and in hand		<u>46,093</u>	<u>6,687</u>	-	<u>7,106</u>
		361,586	456,693	307,760	399,349
CREDITORS: Amounts falling due within one year	10	<u>(722,823)</u>	<u>(525,975)</u>	<u>(767,769)</u>	<u>(676,173)</u>
NET CURRENT LIABILITIES		<u>(361,237)</u>	<u>(69,282)</u>	<u>(460,009)</u>	<u>(276,824)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,940,936	1,112,612	2,652,424	978,970
PROVISION FOR LIABILITIES					
Deferred taxation	11	<u>(1,522)</u>	-	<u>(2,258)</u>	-
NET ASSETS		<u>2,939,414</u>	<u>1,112,612</u>	<u>2,650,166</u>	<u>978,970</u>
FUNDS					
Unrestricted	13	180,136	211,123	71,295	34,697
Restricted	13	2,708,317	901,489	2,527,910	944,273
Endowment	13	<u>50,961</u>	-	<u>50,961</u>	-
		<u>2,939,414</u>	<u>1,112,612</u>	<u>2,650,166</u>	<u>978,970</u>

These financial statements were approved by the trustees and authorised for issue on 17 November 2014 and are signed on their behalf by:

J P BURY

MRS B S BLAKEY

Company Registration Number: 2979587

The notes form part of these financial statements.

Butterwick Limited**Consolidated Cashflow Statement
Year Ended 31 March 2014**

	2014		2013	
	£	£	£	£
NET CASH FLOW FROM OPERATING ACTIVITIES		387,209		70,299
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	24		57	
Interest paid	(3,761)		(1,286)	
Receipts from joint venture	<u>72,322</u>		<u>74,275</u>	
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		68,585		73,046
TAXATION		(1,683)		(3,071)
CAPITAL EXPENDITURE				
Receipts from the sale of fixed assets	2,625		-	
Payments to acquire tangible fixed assets	<u>(362,504)</u>		<u>(441,818)</u>	
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		<u>(359,879)</u>		<u>(441,818)</u>
INCREASE/(DECREASE) IN CASH		<u>94,232</u>		<u>(301,544)</u>

The notes form part of these financial statements.

**Consolidated Cashflow Statement
Year Ended 31 March 2014**

	2014 £	2013 £
RECONCILIATION OF CHANGES IN RESOURCES TO NET INFLOW FROM OPERATING ACTIVITIES		
Net incoming resources/(resources expended) before transfers	217,146	(165,373)
Depreciation	189,049	176,061
Surplus on disposal of fixed assets	-	-
Donated assets	(19,130)	(19,130)
Taxation	808	807
Interest received	(24)	(57)
Interest paid	3,761	1,286
Decrease in stocks	9,643	473
Increase in debtors	(17,376)	(22,615)
Increase in creditors	<u>3,332</u>	<u>98,847</u>
	<u>387,209</u>	<u>70,299</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS		
Increase/(decrease) in cash in the period	94,232	(301,544)
Net funds at 1 April 2013	<u>(85,939)</u>	<u>215,605</u>
Net funds/(debt) at 31 March 2014	<u>8,293</u>	<u>(85,939)</u>

ANALYSIS OF NET DEBT

	At 1 April 2013 £	Cashflow £	At 31 March 2014 £
Cash at bank and in hand	-	46,093	46,093
Bank overdrafts	<u>(85,939)</u>	<u>48,139</u>	<u>(37,800)</u>
	<u>(85,939)</u>	<u>94,232</u>	<u>8,293</u>

The notes form part of these financial statements.

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with applicable accounting standards and the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005.

The group accounts consolidate the accounts of Butterwick Limited, its wholly owned subsidiary undertakings, Butterwick Hospice Retail Limited, Butterwick Lotteries Limited, John Butterwick Trust Day Care Centre and Hospice and Seven Wellbeing Centre Limited, and its joint venture, North East Hospices Lottery Limited. The results of the subsidiary undertakings are consolidated on a line by line basis. Joint ventures are accounted for using the gross equity method.

Presentation of financial statements

The charity has availed itself of paragraph 4(1) of Schedule 1 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008 and adapted the Companies Act formats to reflect the special nature of the charity's activities. No SOFA has been presented for the charity alone as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP. The net incoming resources for the year for the individual company was £133,642 (2013 - net resources expended £223,014).

Going concern

The principal financial risk facing the charity is its ability to generate sufficient income to cover expenditure incurred in fulfilling the objectives of the charity. The trustees have reviewed the cash position of the charity, the current and future bank overdraft funding available to the charity and cash forecasts at the date of signing the financial statements and are confident that the charity will be able to meet all of its financial commitments.

The trustees believe that the charity is well placed to manage its financial risks successfully despite the current uncertain economic outlook. After making enquiries the trustees have a reasonable expectation that the charity has adequate reserves to continue in operational existence for the foreseeable future. Accordingly the trustees continue to adopt the going concern basis in preparing the financial statements.

Company status

The charity is a company limited by guarantee. The members of the company are the trustees named on page 1. 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.

Incoming resources

Health Authority funding, grants, lottery subscriptions and training income are accounted for on an accruals basis. Income from voluntary gifts, donations, sale of donated goods, etc is included in the SOFA upon receipt. Legacies are recognised when it becomes reasonably certain that they will be received and their value can be measured with sufficient reliability. Gifts in kind are included at their estimated market value.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributable to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Fundraising costs are those incurred in seeking voluntary contributions. Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Management and administration costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Tangible fixed assets and depreciation

Purchased tangible fixed assets are stated at cost less depreciation. Donated tangible fixed assets are capitalised at the value at which the gift was included in income. Each item is considered on an individual basis.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold buildings	- over 50 years
Leasehold land and buildings	- over 50 years or the period of the lease to the first break clause
Summerhouse	- over 5 years
Fixtures and fittings	- over 5 years
Computer equipment	- over 4 years
Motor vehicles	- over 5 years

Freehold land is not depreciated.

1. ACCOUNTING POLICIES (continued)

Investments

Listed investments are included at market value as at the year end. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

Stock

Stock is stated at the lower of cost and net realisable value.

Leasing

Rentals paid under operating leases are charged against income on a straight line basis over the lease term.

Pension costs

The charity's clinical staff are eligible to contribute to the NHS pension scheme, an unfunded final salary scheme. Contributions are made by both the employer and employee. The scheme is a multi-employer scheme as defined by Financial Reporting Standard 17 "Retirement Benefits". The charity is unable to identify its share of the underlying assets and liabilities of the scheme.

The charity also operates a defined contribution pension scheme. The scheme funds are administered by trustees and are independent of the charity's assets. The costs of providing contributions to the schemes are included in the SOFA on an accruals basis.

Fund accounting

Transfers are made from unrestricted funds to cover deficits in any restricted funds.

Taxation

The company is a registered charity and has no liability to corporation tax on its charitable activities.

The trading subsidiaries are liable to corporation tax on their taxable profits. Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Voluntary services

In addition to recorded incoming resources the charity received the benefit of many thousands of voluntary hours and unclaimed out of pocket expenses contributed by its supporters, both individuals and organisations. It would be impossible to place a value on all these services and expenses, without which much of the work undertaken could not be achieved and for which the charity is extremely grateful.

2. VOLUNTARY AND FUNDRAISING INCOME

	2014 £	2013 £
Donations	679,981	754,406
Grant making trusts	305,730	267,089
Legacies	662,146	240,977
Total voluntary income	1,647,857	1,262,472
 Fundraising activities	 835,053	 894,655
	<u>2,482,910</u>	<u>2,157,127</u>
 Fundraising and publicity costs	 857,127	 804,019

The fundraising and publicity costs incurred by the Hospice play a significant role in both the generation of funds via fundraising activities and in attracting voluntary income.

3. TOTAL RESOURCES EXPENDED

	Basis of allocation	Bishop Auckland Hospice	Stockton on Tees Hospice	Children's Hospice	Trading activities	Governance	Total 2014	Total 2013
		£	£	£	£	£	£	£
Costs directly allocated to activities								
Staff costs	Direct	482,982	1,498,442	748,017	413,793	66,627	3,209,861	3,224,337
Lottery costs	Direct	-	-	-	131,176	-	131,176	134,532
Shop costs	Direct	-	-	-	333,296	-	333,296	329,341
Wellbeing centre	Direct	-	-	-	37,524	-	37,524	21,114
Nursing and patient care	Direct	112,854	187,770	38,355	-	-	338,979	340,366
Management and administration	Direct	-	-	-	-	33,637	33,637	48,632
Fundraising and publicity	Direct	98,154	186,931	69,597	-	-	354,682	305,180
Premises costs	Direct	37,397	74,693	27,734	-	-	139,824	166,267
Bank charges and interest	Direct	-	3,213	-	-	-	3,213	1,831
Taxation	Direct	-	-	-	808	-	808	807
Support costs allocated to activities								
Depreciation	Usage	52,001	77,020	36,668	11,373	11,987	189,049	176,061
Staff costs	Staff time	38,766	-	67,824	49,524	-	156,114	169,715
Overheads	Usage	10,346	-	20,692	14,484	-	45,522	53,640
Total resources expended		832,500	2,028,069	1,008,887	991,978	112,251	4,973,685	4,971,823

3. TOTAL RESOURCES EXPENDED (continued)

Total resources expended include

	2014 £	2013 £
Auditors remuneration		
- audit fees	10,600	10,300
- accountancy	11,244	9,275
Depreciation	189,049	176,061
Deficit on disposal of fixed assets	(1,003)	-
Operating lease rentals-land and buildings	<u>173,469</u>	<u>187,512</u>

4. STAFF COSTS

	2014 £	2013 £
Wages and salaries	3,065,936	3,105,361
Social security costs	185,595	189,166
Other pension costs	<u>114,444</u>	<u>99,525</u>
	<u>3,365,975</u>	<u>3,394,052</u>

No remuneration or expenses have been paid, either directly or indirectly, to the trustees or to anyone having a family or business connection with the trustees in either the current or previous financial year

The number of employees whose emoluments amounted to over £60,000 (excluding pension contributions) in the year was as follows

	2014 No	2013 No
£60,001 - £70,000	<u>1</u>	<u>1</u>

Pension contributions for the year in respect of higher paid staff were £8,262 (2013 - £8,256).

The average number of employees analysed by function, was:

	2014 No	2013 No
Charitable activities	115	113
Cost of generating funds	52	49
Management and administration	<u>12</u>	<u>15</u>
	<u>179</u>	<u>177</u>

These numbers do not include 'bank' nurses who provide cover when necessary.

5. TAXATION

Butterwick Limited is a registered charity and is therefore not liable to corporation tax. The non-charitable subsidiary undertakings are responsible for settling their own corporation tax liabilities.

The tax charge in the consolidated statement of financial activities is made up of corporation tax of £1,544 (2013 - £1,683) and deferred tax of £(736) (2013 - £(876)).

6. TANGIBLE FIXED ASSETS**Group**

	Land and buildings £	Assets under construction £	Furniture & equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2013	3,666,513	-	1,356,288	164,367	5,187,168
Additions	-	354,871	26,763	-	381,634
Disposals	-	-	(693)	(7,414)	(8,107)
Transfers	-	-	-	-	-
At 31 March 2014	<u>3,666,513</u>	<u>354,871</u>	<u>1,382,358</u>	<u>156,953</u>	<u>5,560,695</u>
Depreciation					
At 1 April 2013	933,110	-	1,030,022	116,449	2,079,581
Charge for the year	77,340	-	97,697	14,012	189,049
Eliminated on disposal	-	-	(693)	(4,789)	(5,482)
At 31 March 2014	<u>1,010,450</u>	<u>-</u>	<u>1,127,026</u>	<u>125,672</u>	<u>2,263,148</u>
Net book value					
At 31 March 2014	<u>2,656,063</u>	<u>354,871</u>	<u>255,332</u>	<u>31,281</u>	<u>3,297,547</u>
At 31 March 2013	<u>2,733,403</u>	<u>-</u>	<u>326,266</u>	<u>47,918</u>	<u>3,107,587</u>

Analysis of land and buildings

	Cost		Net book value	
	2014 £	2013 £	2014 £	2013 £
Freehold	1,063,928	1,063,928	813,732	834,861
Long leasehold	68,805	68,805	61,385	62,769
Short leasehold	97,016	97,016	10,730	16,824
Buildings erected on long leasehold land	<u>2,436,764</u>	<u>2,436,764</u>	<u>1,770,216</u>	<u>1,818,949</u>
	<u>3,666,513</u>	<u>3,666,513</u>	<u>2,656,063</u>	<u>2,733,403</u>

Company

	Assets under construction £	Land and buildings £	Furniture & equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2013	-	1,132,733	1,322,947	151,499	2,607,179
Additions	30,905	-	26,763	-	57,668
Disposals	-	-	-	(7,414)	(7,414)
At 31 March 2014	<u>30,905</u>	<u>1,132,733</u>	<u>1,349,710</u>	<u>144,085</u>	<u>2,657,433</u>
Depreciation					
At 1 April 2013	-	235,103	1,017,331	103,582	1,356,016
Charge for the year	-	22,513	92,418	14,012	128,943
Eliminated on disposal	-	-	-	(4,789)	(4,789)
At 31 March 2014	<u>-</u>	<u>257,616</u>	<u>1,109,749</u>	<u>112,805</u>	<u>1,480,170</u>
Net book value					
At 31 March 2014	<u>30,905</u>	<u>875,117</u>	<u>239,961</u>	<u>31,280</u>	<u>1,177,263</u>
At 31 March 2013	<u>-</u>	<u>897,630</u>	<u>305,616</u>	<u>47,917</u>	<u>1,251,163</u>

6. TANGIBLE FIXED ASSETS (continued)**Analysis of land and buildings**

	Cost		Net book value	
	2014 £	2013 £	2014 £	2013 £
Freehold	1,063,928	1,063,928	813,732	834,861
Long leasehold	<u>68,805</u>	<u>68,805</u>	<u>61,385</u>	<u>62,769</u>
	<u>1,132,733</u>	<u>1,132,733</u>	<u>875,117</u>	<u>897,630</u>

7. INVESTMENTS

Group	2014 £	2013 £
Market value at 1 April 2013	4,625	3,690
Provision for unrealised loss	<u>-</u>	<u>935</u>
Market value at 31 March 2014	<u>4,625</u>	<u>4,625</u>
Historical cost at 31 March 2014	<u>13,750</u>	<u>13,750</u>
UK listed investments are represented by: Equity shares	<u>4,625</u>	<u>4,625</u>

Company

Investments held by the company also include:-

	Shares in subsidiary undertakings £	Shares in joint ventures £	Total £
At 1 April 2013 and at 31 March 2014	<u>5</u>	<u>1</u>	<u>6</u>

Subsidiary undertakings

	Class of share	Proportion held directly
Butterwick Lotteries Limited	Ordinary	100%
Butterwick Hospice Retail Limited	Ordinary	100%
John Butterwick Trust Day Care Centre and Hospice	-	-
Seven Wellbeing Centre Limited	Ordinary	100%

Butterwick Limited is the sole trustee of John Butterwick Trust Day Care Centre and Hospice.

The results of Butterwick Hospice Retail Limited, John Butterwick Trust Day Care Centre and Hospice and Seven Wellbeing Centre Limited for the year ended 31 March 2013 together with the results of Butterwick Lotteries Limited for the year ended 31 December 2012 have been included in these consolidated accounts.

The principal activity of Butterwick Lotteries Limited is the operation of a lottery. Its year end is 31 December to facilitate its reporting to the Gambling Commission.

The principal activity of Butterwick Hospice Retail Limited is the operation of retail charity shops selling donated goods and merchandise.

The principal activity of John Butterwick Trust Day Care Centre and Hospice is the provision of property for occupation by Butterwick Limited.

The principal activity of Seven Wellbeing Centre Limited is the provision of complimentary therapies and training courses.

7. INVESTMENTS (continued)

A summary of the results of the subsidiary undertakings is shown below

	Butterwick Lotteries Limited £	Butterwick Hospice Retail Ltd £	John Butterwick Trust Day Care Centre and Hospice £	Seven Wellbeing Centre Ltd £
Turnover	511,421	705,656	225,410	57,207
Cost of sales	(112,553)	(39,438)	-	(1,025)
Gross profit	398,868	666,218	225,410	56,182
Other income	34,785	15,176	-	3,409
Administrative expenses	(120,634)	(577,559)	(49,414)	(75,953)
Net profit/(loss)	<u>313,019</u>	<u>103,835</u>	<u>175,996</u>	<u>(16,362)</u>
The aggregate of the assets, liabilities and funds was:				
Assets	95,170	108,220	2,104,509	26,273
Liabilities	(95,168)	(80,017)	(272,990)	(69,100)
	<u>2</u>	<u>28,203</u>	<u>1,831,519</u>	<u>(42,827)</u>

Joint Venture

Butterwick Limited holds 25% of the issued ordinary share capital of North East Hospices Lottery Limited. North East Hospices Lottery Limited's principal activity is the operation of a lottery. It has agreed to pay all of its trading profits equally to the four hospices which own it.

The results of North East Hospices Lottery Limited for the year ended 31 December 2013 are included in these consolidated accounts. North East Hospices Lottery Limited generated lottery income of £572,207 (2012 - £605,458), incurred costs (before covenants to participators) of £283,797 (2012 - £308,307) resulting in a profit for the year (before covenants to participators) of £288,410 (2012 - £297,151). It had net assets of £4 (2012 - £884) at the balance sheet date.

The group's share of net assets/(liabilities) of the joint venture comprises

	2014 £	2013 £
Assets	45,793	48,984
Liabilities	(45,792)	(48,763)
	<u>1</u>	<u>221</u>

8. STOCK

	2014		2013	
	Group £	Company £	Group £	Company £
Merchandise	11,175	-	20,692	-
Stamps	<u>3,718</u>	<u>3,718</u>	<u>3,844</u>	<u>3,844</u>
	<u>14,893</u>	<u>3,718</u>	<u>24,536</u>	<u>3,844</u>

9. DEBTORS

	2014		2013	
	Group £	Company £	Group £	Company £
Amount owed by group undertakings	19,336	267,527	29,805	225,089
Other debtors	130,230	70,390	101,384	58,099
Prepayments	<u>151,034</u>	<u>108,371</u>	<u>152,035</u>	<u>105,211</u>
	<u>300,600</u>	<u>446,288</u>	<u>283,224</u>	<u>388,399</u>

10. CREDITORS: Amounts falling due within one year

	2014		2013	
	Group £	Company £	Group £	Company £
Bank overdraft (secured)	37,800	37,272	85,939	65,550
Trade creditors	204,201	91,399	244,506	195,813
Amounts owed to group undertakings	-	34,079	-	94,766
Corporation tax	1,544	-	1,683	-
Other taxes and social security costs	54,009	54,009	63,900	63,900
Other creditors	279,816	268,812	216,811	216,189
Accruals	63,630	40,404	72,362	39,955
Advance lottery payments	<u>81,823</u>	-	<u>82,568</u>	-
	<u>722,823</u>	<u>525,975</u>	<u>767,769</u>	<u>676,173</u>

The bank overdraft is secured by way of a debenture over the assets of the company.

11. DEFERRED TAX

The movement in the deferred taxation provision during the year was:-

	2014		2013	
	Group £	Company £	Group £	Company £
Provision brought forward	2,258	-	3,134	-
Increase/(decrease) in provision	<u>(736)</u>	-	<u>(876)</u>	-
Provision carried forward	<u>1,522</u>	-	<u>2,258</u>	-

The group and company's provisions for deferred tax consist of the tax effect of timing differences in respect of:-

	2014		2013	
	Group £	Company £	Group £	Company £
Excess of allowances over depreciation on fixed assets	<u>1,522</u>	-	<u>2,258</u>	-

12. FINANCIAL COMMITMENTS

At 31 March 2013 the group was committed to make the following minimum payments during the next year in respect of operating leases.

	Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Expiry date				
Within one year	32,500	15,750	-	-
Between two and five years	35,458	40,958	-	-
Over five years	64,500	76,500	-	-
	<u>132,458</u>	<u>133,208</u>	<u>-</u>	<u>-</u>

13. STATEMENT OF FUNDS

	At 1 April 2013	Income	Expenditure	Transfers	At 31 March 2014
	£	£	£	£	£
Unrestricted funds	<u>71,295</u>	<u>1,050,217</u>	<u>(716,376)</u>	<u>(225,000)</u>	<u>180,136</u>
Restricted funds					
Bishop Auckland Hospice	1,938,116	945,591	(943,760)	-	1,939,947
Stockton on Tees Hospice	2,046	1,766,031	(1,988,728)	225,000	4,349
Children's Hospice	12,918	1,277,684	(1,262,957)	-	27,645
Stockton on Tees Capital Appeal	-	223,410	-	-	223,410
Dignity in Care Bishop Auckland Hospice	82,290	-	(13,725)	-	68,565
Stockton on Tees Hospice	128,134	-	(30,342)	-	97,792
Outpatient Supportive Services Bishop Auckland	364,406	-	(17,797)	-	346,609
Total restricted funds	<u>2,527,910</u>	<u>4,212,716</u>	<u>(4,257,309)</u>	<u>225,000</u>	<u>2,708,317</u>
Endowment fund	<u>50,961</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,961</u>
Total funds	<u>2,650,166</u>	<u>5,262,933</u>	<u>(4,973,685)</u>	<u>-</u>	<u>2,939,414</u>

13. STATEMENT OF FUNDS (continued)

The Bishop Auckland Hospice fund operates to raise funds for the day to day running of a hospice at Bishop Auckland.

The Stockton on Tees Hospice fund operates to raise funds for the day to day running of a hospice at Stockton on Tees.

The Children's Hospice fund operates to raise funds for the day to day running of the children's hospice at Stockton on Tees.

The Stockton on Tees Capital Appeal fund operates to fund the building of a family support and complementary therapies centre.

The Dignity in Care and Outpatient Supportive Services funds represent grants provided by the Department of Health to help fund improvements to the hospices. Fixed asset expenditure has been capitalised when incurred and depreciation of those assets is charged to the appropriate fund over the life of the assets.

The endowment fund was created through the gift of the original hospice building. This was subsequently sold and the proceeds and related gains have been reinvested in the existing hospice premises.

Transfers are made from unrestricted funds where possible to minimise deficits arising in restricted funds.

14. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

Fund balances at 31 March 2014 are represented by

	Unrestricted Funds £	Restricted funds £	Endowment funds £	Total funds £
Tangible fixed assets	2,069,323	1,177,263	50,961	3,297,547
Investments	4,625	1	-	4,626
Net current assets/(liabilities)	(1,892,290)	1,531,053	-	(361,237)
Provisions	<u>(1,522)</u>	<u>-</u>	<u>-</u>	<u>(1,522)</u>
	<u>180,136</u>	<u>2,708,317</u>	<u>50,961</u>	<u>2,939,414</u>

15. PENSION COSTS

The group operates a defined contribution pension scheme. The assets of the scheme are held in independently administered funds. Some clinical staff are members of the NHS Pension Scheme and contributions are determined by the Government actuary. The NHS Pension Scheme is an unfunded occupational scheme backed by the Exchequer.

The total pension cost charge for the year represents contributions payable by the company and amounted to £114,444 (2013 - £99,525).

16. CAPITAL COMMITMENTS

	2014 £	2013 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>-</u>

17. RELATED PARTY TRANSACTIONS

During the year Butterwick Lotteries Limited provided management services amounting to £34,785 (2013 - £35,200) to North East Hospices Lottery Limited on an arms length commercial basis.