

# Report and Financial Statements

Year ended 31 March 2021



## Contents

	Page
About Keech Hospice Care	2
Trustees, officers and professional advisors	3 to 4
Annual Report of the Trustees	5 to 23
Directors' Report	5
Objectives and activities	5
Public benefit	7
Structure, governance and management	7
Trustees	8
Responsibilities of the trustees	8
Going concern	9
Auditors	11
Strategic Report	12
Vision, mission, values and philosophy of care	12
Achievements and performance	13
Financial review	19
Risk management	22
Principal risks and uncertainties	23
Future activities	23
Independent Auditors' Report	26 to 29
Consolidated Statement of Financial Activities	30
Consolidated and Charity Balance Sheets	31
Consolidated Statement of Cash Flows	32
Notes to the Financial Statements	33 to 51

"Making the difference when  
it matters the most."

**Liz Searle,**  
Chief Executive Officer

## About Keech Hospice Care

Keech Hospice Care is the adult hospice for Luton and south Bedfordshire, and the children’s hospice for Bedfordshire, Hertfordshire and Milton Keynes.

As a charity, we provide free specialist care for adults and children with life-limiting and complex terminal conditions as well as vital support for their family and friends. We are one of a small number of hospice charities in the UK which supports and cares for both adults and children.

Since the hospice first opened, initially providing support for adult patients and their families and later expanding to include support for child patients and their families, we have supported thousands of patients with life-limiting or terminal illness. There are no second chances to get it right so, at Keech Hospice Care, we make sure we do everything we can.

Patients and their families are given the support and care they need from the day they are diagnosed and, when the time does come, we support them to achieve a peaceful death. Our care is not just provided at the hospice itself but in hospitals, schools, care homes or family homes – wherever support is needed the most.

What is more, our care does not stop at death. As leaders in our field, our excellent standard of care extends to support a patient’s family, partners, friends, neighbours and colleagues for as long as they need us afterwards, when we offer emotional, spiritual and practical support. For these families, when it seems as though nothing will be the same again, Keech Hospice Care is there to help.

### Where we provide care



**Hertfordshire**  
 We care for children with a life-limiting condition across Hertfordshire.

**Bedfordshire**  
 We care for children from Bedfordshire and adults from Luton and south Bedfordshire.

**Milton Keynes**  
 We care for children with a life-limiting condition across Milton Keynes.

## Trustees, officers and professional advisors

Served in the year and up to 23 September 2021

### Trustees

Clive Medlam (Chair)  
Patricia Norman (Vice Chair)  
Frank Dalton (Treasurer)  
Michael Hubbocks  
Maria Collins  
Bronwen Philpott  
Karen Proctor  
Sukhdeep Saini (resigned on 30 April 2020)  
Peter Cannon  
Miriam Heyes  
Jeffrey Lustig  
Michael McMahon  
Simon Ogden (appointed on 16 March 2021)  
Chandra Shekar (appointed on 25 March 2021)

### Audit and Risk Committee

Trevor Nash (Chair and Independent Member)  
Gill Holt (Vice Chair and Independent Member)  
Maria Collins  
Karen Proctor  
Bronwen Philpott  
Patricia Norman  
Frank Dalton  
Geoff Lambert (Independent Member)

### Trading companies

Pasque Charity (Trading) Limited	Trevor Nash (Chair)
Keech Hospice Care (Trading) Limited	Trevor Nash (Chair)

### Executive directors

Chief Executive	Liz Searle
Finance Director	Rob Davies
Clinical Director	Elaine Tolliday
Income Director	Alison Shotter (left on 31 August 2021)
People Director	Ali Lowe (left on 2 March 2021)
Interim People Director	Matt Ambler (appointed 2 March 2021)

The executive directors are not directors within the meaning of the Companies Act.

**Registered Office**

Great Bramingham Lane  
Streatley  
Luton  
LU3 3NT

**Auditor**

Haysmacintyre LLP  
10 Queen Street Place  
London  
EC4R 1AG

**Bankers**

NatWest Bank plc  
4 High Street North  
Dunstable  
Bedfordshire  
LU6 1JU

**Solicitors**

Pictons LLP  
Studio K/2  
274 Witan Gate West  
Witan Studios  
Milton Keynes  
Buckinghamshire  
MK9 1EJ

Pinney Talfourd LLP  
78 Ongar Rd  
Brentwood  
CM15 9BB

SA Law  
Gladstone Place  
36-38 Upper Marlborough Road  
St Albans  
Hertfordshire  
AL1 3UU

Veale Wasborough Vizards LLP  
Narrow Quay House  
Narrow Quay  
Bristol  
BS1 4QA

## Annual Report of the trustees

The trustees present their report and the audited financial statements for the year ended 31 March 2021. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS102.

## Directors' Report

The trustees present their report for the year ended 31 March 2021, which should be read in conjunction with the Strategic Report.

### Reference and administrative details

The registered name of the charity, the charity number and the company number are shown on the front cover of this report.

The registered office, current trustees, executive directors and advisers are shown in the *Trustees, officers and professional advisors* section of this report on pages 3 and 4.

### Objectives and activities

#### Objectives

The charity's principal objective is to provide palliative, supportive and end-of-life care, and to support those with specific needs, within Luton and south Bedfordshire for adults and their families, within Bedfordshire, Hertfordshire and Milton Keynes for children and their families.

The founders used a Trust Deed, settled on 3 June 1987, to set up the charity as the Luton and South Bedfordshire Hospice. The trustees changed the charity's name to Pasque Charity in June 2002 and then to Keech Hospice Care on 23 September 2009. The Memorandum and Articles of Association, as amended in 2003 and 2010, state the objects of the charity are to promote the relief of sickness in such ways as the charity shall from time to time think fit and in particular:

- By establishing, maintaining and conducting hospices, day centres, residential homes and home/community support services in the counties of Bedfordshire, Hertfordshire and Buckinghamshire (including Milton Keynes) and elsewhere as required for the reception and care of people who are suffering from cancer or any chronic or terminal illness or from any disability or disease whether attributable to old age or otherwise or from any other physical infirmity, disability or disease and by providing medical or other treatment and attention for such persons in their own home;
- By conducting or promoting or encouraging research into the care and treatment of persons suffering from any such illness, disability or infirmity as aforesaid and particularly into the care and treatment of persons suffering from cancer or terminal illness and to disseminate the results to the public;
- By promoting or encouraging or assisting in the teaching or training of doctors, nurses, physiotherapists and other persons engaged in any branch of medicine, surgery, nursing or allied services;
- By providing or assisting or encouraging the provision of spiritual help and guidance for any persons resident (either as patients or otherwise) or working in any such hospices, day centres or homes;

- By establishing and conducting clinics, out-patient departments, surgeries, dispensaries and convalescent homes;
- By providing or arranging such medical or other attention as the charity may think fit for patients in any such hospice, day centre, home, clinic or out-patient department as aforesaid or for patients in their own homes; and
- By providing such medical supplies, equipment and apparatus, drugs, amenities, comforts and other things conducive to the material or spiritual welfare of any persons resident in or attending any such hospice, day centre, home, clinic or out-patient department or any persons being treated or attended in their own homes as the charity may think fit.

### Principal activities

The charity fulfils its purpose through its principal activity of providing adult and children's palliative and supportive care as follows:

- Adult in-patient palliative medical and nursing care for residents of Luton and south Bedfordshire in an eight-bed unit;
- Adult out-patient palliative and supportive care for residents of Luton and south Bedfordshire in the Keech Palliative Care Centre;
- Support for adults in Luton within the last two years of life through the My Care Co-ordination Team, providing a 24-hour advice and support line for patients, families, carers and professionals; co-ordinating support from other care professionals and agencies and providing personal care, practical help and emotional support to both patients and families in their own homes;
- Children's in-patient and palliative and supportive day care for residents of Hertfordshire, Bedfordshire and Milton Keynes (or from any other area if the family wishes to use the children's service) in a five-bed unit and day care facility;
- Children's day support for residents of Hertfordshire, Bedfordshire and Milton Keynes; and
- Support for children through the community nursing team which provides palliative care in the home, school, hospital and other community settings for residents of Hertfordshire, Bedfordshire and Milton Keynes.

We are the only children's hospice funded by the Clinical Commissioning Groups (CCGs) in Hertfordshire and Bedfordshire.

Supportive care signifies services provided by social workers, therapists (talking, occupational, physiotherapy, spiritual, music, art and complementary) and bereavement care workers. This ensures the charity's care takes a holistic approach that not only considers the patient's condition, life and circumstances, but also supports and cares for the patient's family and other significant people in their life. The charity provides its services free to patients, carers and families to ensure accessibility.

The management and administration team provides the necessary governance, oversight and operational management as well as finance, human resources (HR), administrative support and communications and marketing. The housekeeping team and catering, maintenance and IT services provide essential support services for the principal activities.

The fundraising and retail teams - and, of course, the incredibly generous members of the public, corporations and trusts - generate the vital income needed by the charity to supplement the lower level of statutory funding (from the NHS, local authorities and the Department of Health. However, 2020/21 was unlike any other year with COVID-19 restrictions limiting fundraising activity and closing our shops for large proportions of the year. We have still received wonderful support but inevitably we were unable to generate the same levels of income. This was recognised by NHS England who saw hospices as an essential part of the response to COVID-19 and additional funding was made available to ensure capacity was maintained across the hospice sector.

It cost £6.3m to provide our services in 2020/21 and, as a result of this additional funding, around 90% came from statutory funding which allowed the charity to support our community and the wider NHS system during the pandemic. This additional funding ended on 31 March 2021 and 2021/22 will see us return to around 35% income from our local commissioners, statutory funding.

### **Public benefit**

The trustees have considered the purpose, aims and objectives of the charity and its current and planned activities, against the Charity Commission's general guidance on public benefit. The trustees are satisfied the charity's purpose, aims, objectives and activities are fully consistent with charitable purposes as defined in the Charities Act 2011, including the advancement of health or the saving of lives and the relief of those in need, by reason of youth, age, ill health, disability, financial hardship or other disadvantages.

The charity produces quarterly corporate and performance dashboards and a quarterly quality report, reviewed by the senior leadership team and trustees, which provides a detailed focus on effectiveness, particularly on the number of patients using each service, patient demographics, incidents, complaints, patient experience surveys, results of internal audits, palliative outcome scores and a substantial number of other measures.

We regularly assess the performance and impact of the Charity and a quarterly quality report focusing on effectiveness, efficiency, patient numbers, incidents, complaints, user experience alongside various other measures is produced and reviewed by senior management and the Trustees.

### **Structure, governance and management**

The consolidated financial statements that follow later in this report comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, and the Consolidated Statement of Cash Flows and related notes, which include the results of the related company - Pasque Charity (Trading) Limited and the wholly owned trading subsidiary of Keech Hospice Care, Keech Hospice Care (Trading) Limited. The objective of these companies (Pasque Charity (Trading) Ltd is now effectively dormant) is for making best use of and maximising the returns from the resources of the charity.

### **Day-to-day management**

The trustees delegate day-to-day management responsibility to the chief executive, who in turn delegates some leadership functions to the senior leadership team (SLT). The Schedule of Delegation is set out in the Governance Manual.

The Audit and Risk Committee, comprising trustees and two independent members (one of whom is the Chair), monitors all risks faced by the charity and meets every two to three months. It has a direct reporting line into the trustee board meetings and forms an important role in the overall assurance framework.

## Investment policy and returns

The trustees have decided to maintain a low-risk investment strategy. The main purpose of the charity is to provide hospice care and, because of the uncertainty of fundraising income streams, it is necessary to ensure that funds are always readily available for use to ensure that levels of care are not adversely affected in the event of any short-term income reduction. This is also the reason that trustees choose not to risk funds in higher risk but potentially higher return investments.

## Trustees

In accordance with s418 of the Companies Act 2006, as the charity's directors, the trustees certify that:

- so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware; and
- as the directors of the charity, they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with s418 of the Companies Act 2006.

There is no specified number of trustees but our aim is to maintain a diverse range of skills and experience to provide the broadest possible level of support to the chief executive and senior leadership team. When vacancies arise or are anticipated, we consider the skills mix and diversity of the continuing trustees and determine the person specifications to be sought in trustee recruitment. A skills audit has been completed and this feeds into an open, competitive recruitment process. At the time of writing this report, the Board of Trustees is seeking to further enhance the Board with more clinical experience.

Every trustee must sign a Trustee Commitment and Disclosure Form to act as a trustee of the charity before he or she is eligible to become a trustee, and again annually. On appointment or election as a trustee, a trustee becomes a member of Keech Hospice Care. Trustees hold membership of Keech Hospice Care only during their trusteeship and retirement, resignation or removal as a trustee is deemed to end their membership of the charity.

It is the charity's policy and practice to provide trustees with appropriate training to undertake their role and to ensure that new trustees receive appropriate induction to the charity and to the role of a charity trustee and company director. In particular, new trustees attend a corporate induction day and we are looking at a potential scheme to provide them with a mentor trustee who would give them specific support over the first 12 months of their trusteeship.

Trustees are elected for a three-year term and it is intended that they should ordinarily serve for up to two three-year terms, with the possibility of further yearly terms, approved annually.

## Responsibilities of the trustees

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

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Going concern

For many organisations the past 18 months has been extremely challenging, not just from a financial perspective, but also the strain it has put on our staff, volunteers and our wider community.

At the beginning of the first lockdown, with our 34 charity shops closed, fundraising events cancelled and the economic uncertainty that the pandemic created, the Board of Trustees and the Senior Leadership Team were extremely focused on confirming firstly whether the charity was a going concern and, secondly, how we continued to monitor the financial position of the charity.

Whilst we have a Reserves Policy that meant we had funds set aside for, amongst other uses, to fund shortfalls in income, it was certainly never envisaged that we would have a pandemic that had such a large and widespread impact on our income.

Detailed cash-flow and out-turn projections were prepared outlining a range of different scenarios for the Board. These were updated and adjusted frequently throughout 2020/21. The Trustees also received independent legal advice on their fiduciary duties as Directors and this advice was considered alongside all financial information.

We also undertook an immediate review of our budget for 2020/21 and made immediate revisions to eliminate all non-essential spend. As the year progressed, we also implemented a transformation plan that reduced expenditure across the charity by £500,000 per annum.

To assist the Senior Leadership Team a subgroup of the Board of Trustees was established, called the Trustee Advisory Group which met more regularly than the full Board. Initially meetings were held weekly and then fortnightly and allowed more frequent review of the charity's financial position and the wider actions taken or recommended by the Senior Leadership Team throughout the pandemic. The Chief Executive was also granted increased delegatory powers by the Board of Trustees to take decisions outside of formal meetings. All such decisions were reported to the next Trustee Advisory Group and Board Meetings.

In a normal year around 35% of the costs of providing care services are funded from statutory sources (a similar position facing every hospice in the UK), leaving around £5m to be raised annually by fundraising and (net) retail contribution. However, with a national lockdown being introduced on 23 March 2020, and a series of lockdowns and restrictions through the financial year 2020/21, a large portion of income was immediately stopped or significantly reduced.

However, we have continued to receive fantastic support from our local community, trusts and supporters. We also received over £1.3m in legacy income, our highest ever legacy income year and we were also able to access a number of different areas of government funding.

The first area of government funding came from NHS England who awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of COVID-19. There was then a further tranche of funding, again to provide bed capacity and community support from November 2020 to March 2021. We have also received significant additional support from our Clinical Commissioning Groups (CCGs) during the year to help the charity to support our community and the NHS.

We also access government support through either the Coronavirus Job Retention Scheme, or the various support grants that were available to our shops at various stages of the pandemic whilst they were required to close.

We successfully applied for a Coronavirus Business Interruption Loan and built detailed budgets and cashflow projections to demonstrate the ability to repay the loan and operate as a going concern. We are pleased to advise that whilst this has been drawn-down, we are now intending to repay the funds in full during 2021/22.

With central government support now ended, in 2021/22 we will be relying on our usual income sources. However, with restrictions still in place in the early part of the 2021/22 financial year which limit our fundraising opportunities, social distancing restricting the customers in our shops (once they were allowed to open) and general economic uncertainty we were still faced with a significant deficit budget in 2021/22

Since 2020/21 has come to an end there has been two material events that we are disclosing that will affect the 2021/22 accounts. Firstly we have received final settlement from insurers for our business interruption insurance claim for when our shops were closed in the first lockdown (23 March to 15 June). We received final settlement in May in the sum of £559k.

Secondly, we have been notified of a significant legacy gift. Whilst the estate is still being finalised and no payment has been received from the estate yet, initial estimates are that our share of the estate will be in the region of £3m. Given the legacy budget for 2021/22 is £620k and 2020/21's legacy income of £1.325m was the highest legacy income ever received, a legacy gift of this size is both unprecedented and unforeseeable.

We are obviously delighted and humbled by this generous gift and whilst the effects of COVID-19 will be felt for some time and there are still challenges ahead, the support we have received, the actions we have taken and the recent legacy gifts will mean the charity, as it enters its 30<sup>th</sup> year, is more resilient, flexible and in a strong position to continue to support our community for many years to come.

In addition to annual budgeting and monitoring, a rolling five-year financial forward plan is maintained and reviewed annually by the trustees to provide further assurance that the charity will continue as a going concern. Furthermore, the culture of the organisation is such that the trustees have confidence that, if any budgetary problem were to arise, it would be flagged up promptly so that measures to address it could be identified and evaluated swiftly. A series of contingency plans are also being reviewed should significant savings be required at short notice

There are no material uncertainties regarding the charity's ability to continue in operation. The trustees have reviewed financial forecasts and are confident that the charity will continue as a going concern for the foreseeable future. The trustees also recognise that an adequate level of reserves supports and maintains the charity as a going concern by allowing the chief executive and senior leadership team a period to implement change or contingency plans to address any budgetary problems.

### **Auditors**

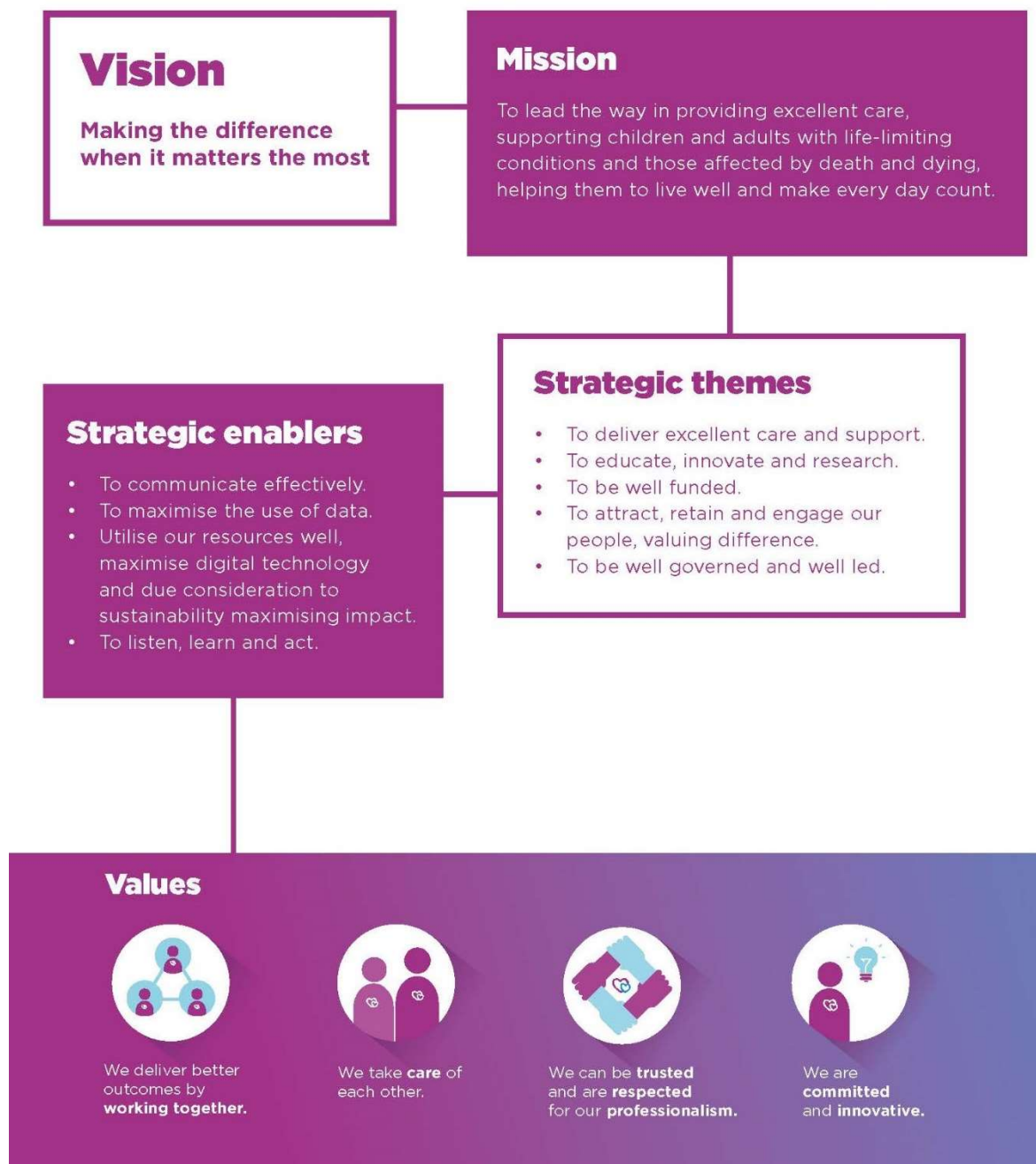
Haysmacintyre LLP was appointed as the charitable company's auditor during the year and has expressed its willingness to continue as auditors for the next financial year.

## Strategic Report

The trustees present their strategic report for the year ended 31 March 2021, which should be read in conjunction with the Directors' Report, which contains further strategic information.

### The charity's vision, mission, values and philosophy of care

The trustees, staff and volunteers of the charity conducted a strategic review during 2017. The review included revisiting and reaffirming the charity's vision, mission, values and philosophy of care.



## Vision

Making the difference when it matters the most.

## Mission

To lead the way in providing excellent care, supporting children and adults with life-limiting conditions and those affected by death and dying, helping them to live well and make every day count.

## Values

The charity embarked on a consultation process with staff and volunteers to refresh our values. We now have four new values supported by behaviours.

## Philosophy of care

Keech Hospice Care's philosophy of care is that of enablement; accepting without judgement the patient, carer and family's circumstances and nurturing them at appropriate stages in the patient's journey. The staff place high importance on close and effective liaison with others and welcome partnership working.

## Strategic themes and enablers

During 2017 we developed a new five-year strategy 2018-2023, to take the organisation into the future. Through developing our new strategy, we have identified five strategic themes and four strategic enablers.

Underpinning our determination to create the greatest possible impact through our work, our five **strategic themes** are as follows:

1. To deliver excellent care and support.
2. To educate, innovate and research
3. To be well funded
4. To attract, retain and engage our people valuing difference
5. To be well governed and well led

Our four **strategic enablers** are as follows:

1. To communicate effectively
2. To maximise the use of data and digital technology
3. To utilise our resources well, maximising impact
4. To listen, learn and act

## Achievements and performance

The charity received a Care Quality Commission inspection in June 2016. We are pleased to report that our rating for Care was outstanding, with Safe, Effective, Responsive and Well-led all rated as good overall. This rating remains in place.

We improved our ranking from 71<sup>st</sup> to 18<sup>th</sup> position in *The Sunday Times* Top 100 Best Not-for-Profit Organisations in early 2019 and were also ranked in the Top 20 for the Eastern region for all sectors.

The charity remains committed to working collaboratively with its partners in providing palliative, supportive and end-of-life care for adults and children. This ensures the charity's services complement and improve other provision, and allows an integrated response to the opportunities and challenges presented by the government's national Strategy for End of Life and Palliative Care as well as its more recent conversations on palliative care. We also work closely with, and align ourselves to, the national charities Hospice UK and Together for Short Lives.

This past year is reviewed against the charity's five main strategic aims for 2020/2021 and these were as follows:

### **(i) Deliver excellent care**

We continued to provide excellent care through our in-patient, community, day therapy and out-reach services. Total beneficiaries for 2020/21 were 2,511 people, incorporating patients, relatives and carers.

#### **Adult services**

A total of 1,485 adult patients were cared for in 2020/21, a total that incorporates those who access the in-patient unit, out-patient facilities, therapies and social work team, My Care Coordination Team and the hydrotherapy pool. Many patients use multiple services which ensures a patient-centred, bespoke plan of care is in place for them.

The **My Care Co-ordination Team** supported 1,194 patients in the year. The team operates a 24/7 support line and offers 8am to 5pm (seven days a week) co-ordination of packages of care for people living in Luton with a progressive, life-limiting illness. The team work with acute community, social care professionals and other voluntary organisations to support the patient to remain in their preferred place of care, wherever this should be.

The **Wellbeing Centre (WBC)** is the out-patient facility for adult patients which offers programmes of care that support patients to achieve their goals and maximise function and independence. There is also a rehabilitation team who work within the WBC who offer 1-1 sessions and group care. During 2020/21 these activities were significantly affected due to the COVID-19 pandemic.

The **adult in-patient unit** cared for 150 patients from Luton and south Bedfordshire, providing them with 1,834 bed nights.

#### **Children's services**

The children's **community team** provided 313 children and their families with 1,174 community visits and 1645 telephone calls.

The children's **play and activity** service supported 138 children with programmes of care that included specialist and sensory play, symptom assessment and management, interaction and stimulation. Many of these were delivered virtually.

The children's **in-patient unit** did not provide in-patient care during the first national lockdown and most families preferred for their care to take place at home or virtually. Later in 2020 the in-patient re-opened and started to commence patient care again and caring for 54 children and their families by providing 264 bed nights. Admissions were for short breaks, symptom control, end-of-life care, perinatal care, hospital transition and use of the bereavement suite.

Seventeen children received their end-of-life care, being cared for in the place of their and their families choice.

## **Supportive care services**

During the initial national lockdown some services were frozen whilst the team members were re-deployed and other services moved to a virtual platform for delivery of care. However, a new bereavement service commenced in June 2020 to support adults in Bedfordshire not previously known to Keech.

Our Social Work team consists of two specialist palliative care social workers and three assistants. As a team they cared for 233 adult patients and their families and 116 child patients and their families.

The Charity delivered its adult services contracts in Luton and South Bedfordshire and its children's services contracts in Luton, Bedfordshire, Hertfordshire and Milton Keynes, to the satisfaction of all of our commissioners, who have renewed their contracts for 2020/21 and continue to work in collaboration with the charity.

Keech Hospice Care has continued to host a service run by the national charity Sense, which provides skills and independence training for teenagers and young adults with multi-sensory impairment. The Sense at Keech service has proved successful with both organisations sharing much learning and expertise.

## **(ii) Educate, innovate and research**

Keech Hospice Care is committed to providing education and training to its workforce as well as providing education to health, social and voluntary professionals externally. Our Clinical Education team deliver a wide range of bespoke sessions on subjects such as essential communication, recognising dying, spirituality in palliative care and symptom control. During 2020/21 we delivered 113 training sessions reaching 1983 attendees.

For internal staff, a range of lunch and learn, leadership development programmes and mandatory training programmes support the teams to be highly skilled in all they do. Our in house Leadership Development Programme has recently been awarded ILM (Institute of Leadership and Management) recognition.

We are proud to have developed our partnership with the University of Bedfordshire, jointly funding a PhD research student who is undertaking research into the experiences of families and staff in caring for children with palliative diagnoses. We will be able to use findings from the research to improve and tailor our services for this group of patients and have engaged an external consultant to help us with this process.

In addition, we offer mandatory training opportunities in-house for both staff and volunteers, coupled with additional training requirements in line with annual appraisals. Our practice development lead offers support to staff in our adult services to develop and maintain their clinical skills and competence with a focus on practice development innovations in care.

We work with local partners to develop programmes of palliative education in response to identified need and deliver palliative education to external organisations on request.

We have a comprehensive in-house competency programme and short training sessions for our care teams. We also provide clinical supervision, Schwartz rounds (a forum for staff to discuss emotional and social aspects of working in health care), meditation groups for staff and mindfulness courses.

Our in-house library provides a comprehensive range of resources for hospice staff and other health care professionals working in palliative care.

We have developed our STAR (Smart Thinkers Achieve Results) group. They advise and participate in innovative projects across the organisation using LEAN and Six Sigma methodologies.

### **(iii) Be well funded**

We are a local charity with both local and national impact, a leading hospice and one of a small number in the UK caring for adults, children and their families. The Financial Report that follows shows how we have secured funding for the charity through an exceptional time, and used it to further the achievement of our objectives.

Due to the impact of the COVID-19 pandemic, 2020/21 was an unprecedented year, with income affected through the year in a variety of ways. Thanks to the support received from our local community and trusts, legacies, and government support through a range of schemes, total income in 2020/21 was £12,629k (2019/20: £10,973k).

A number of areas of our charity's income in 2020/21 were severely impacted by the pandemic, including our retail shops income, and the year overall was extremely challenging. Whilst additional government support and grants proved to be one vital area of support in 2020/21, this level of support will not continue into 2021/22.

Income from charitable activities, including statutory income, increased to £5,897k (2019/20: £2,733k). This is due to additional support from NHS England and our local Clinical Commissioning Groups to support the response against COVID-19.

Total fundraised income from donations and legacies increased significantly compared with the previous year £3,640k (2019/20: £2,377k). Income from legacies was £1,325k in 2020/21, due to a number of residuary legacies, but this area of income can change significantly from year to year (£498k in 2019/20).

Fundraising activity in 2020/21 benefitted particularly from support from key individuals and trusts, and in response to appeals for support from our local community. Much of our planned activity with community groups and companies was unable to take place, and our new lottery fundraising was reduced. Most of our events, and many events in aid of Keech Hospice Care, were cancelled or postponed to 2021/22 due to local and national restrictions. We adapted to increase use of digital communications bring in new digital fundraising activities. Gifts in Wills received early attention and towards the end of the year provided a vital area of funding.

Costs were reduced in several areas of fundraising and the Coronavirus Job Retention Scheme funding accessed during the year as we worked to offset the impact on fundraising income. We made changes to our plans and our team as we looked ahead and prepared for the future.

We are extremely grateful for all the support we received in the year from trusts and foundations, individual supporters of our charity, community groups, organisations, corporate partners, schools and colleges, families, friends and all those who helped where they could through a difficult time. You truly helped us continue, with both your financial support and your words of support, which have meant so much to us.

We secured local and regional media coverage, including BBC Look East and ITV Anglia, featuring Keech Hospice Care staff and patients. Filming took place at Keech Hospice Care and in the community, showing the impact of the pandemic on our day-to-day work providing hospice care to our community.

Retail income before costs decreased significantly to £840k (2019/20: £4,284k). The substantial decrease was due to the impact of the COVID-19 pandemic. All of our shops were closed during three lockdowns and COVID-19 health and safety measures, which limited the number of customers, impacted shops sales when they were allowed to open.

COVID-19 impacted everyone's daily lives, and our shops, understandably, had less volunteers to help with essential activity. The reduction in the number of volunteers available also limited our ability to open all our shops when restrictions allowed.

Despite all the challenges affecting our retail activity, when we were allowed to open our staff and volunteers demonstrated our charity's values - "we deliver better outcomes by working together, we take care of each other, we can be trusted and respected for our professionalism and we are committed and innovative."

In addition to helping raise funds and restore our retail income, our staff and volunteers were an integral part of our local community, connecting with our customers through a time when social interaction had been substantially reduced.

Our community support throughout has been amazing, supporting us in many different ways. On behalf of all the adults, children and their families we continue to support, a massive thank you to all our funders and donors.

#### **(iv) To attract, retain and engage our people.**

The trustees wish to record their thanks to all the staff and volunteers of the charity who are essential to the provision of high-quality care for our patients. Our people are our greatest asset, working together to deliver a service that is appreciated by our patients and their families or generating much-needed income.

During the year, the charity employed an average of 259 members of staff (213 full-time equivalent: Just under 50% of our staff work less than full time) across a range of services and 1,420 volunteers across care, retail, fundraising and support in 114 different roles.

The charity was honoured with the highest accolade a voluntary group in the UK can have: The Queen's Award for Voluntary Service. This prestigious and highly sought-after award recognises volunteer groups whose outstanding work benefits their communities.

The pandemic has affected all of our staff and volunteers in different ways. Many of our care services have seen an increase in demand and we have strived to meet this whilst putting the safety and wellbeing of our staff at the forefront. Our retail operation has had to close several times throughout the year based on government guidance and many of these staff were furloughed under the Coronavirus Job Retention scheme. The majority of our support and fundraising staff moved to working from home and systems had to be put in place quickly to enable this happen effectively and to ensure staff were still supported.

Many of our volunteers have not been able to support us during the pandemic but we are finding they are keen to re-engage with us and we are working with them to ensure that they can do so safely.

We recognise that the pandemic has taken its toll on everybody and as well as our Employee Assistance Programme which is available to everybody for advice and support, we have also introduced the role of Mental Health First Aider who has provided a lot of support and resources to staff, and has raised awareness of the support on offer during Stress Awareness Month and Mental Health week.

Our 'Good to Great' organisational development strategy includes a number of projects that support and develop our staff and volunteers including becoming signatories of Mindful Employer status and embedding our continuous improvement group STAR (Smart Thinking Achieves Results) to generate savings and promote new initiatives.

Attracting and retaining the best people is our top priority which means offering a remuneration and reward package that is competitive and fair, but also sustainable. Our Equality Statement also reflects our intent to be more representative of the communities we serve which is a sentiment that is reflected in our values and underpins behaviours.

Recruitment has continued throughout the pandemic and much of the recruitment and onboarding process has now moved on line. We welcome applications for employment from all prospective employees regardless of disabilities and are committed to developing practices that not only meet the requirements of equalities legislation but which actively promote equality of opportunity and maximise the abilities, skills and experience of all employees. If an employee discloses that they have a disability, we will engage in a discussion with them to determine what they need to be successful in their role and seek to make reasonable adjustments to facilitate this.

### **Pay policy**

All matters relating to pay are considered by the Remuneration Committee which makes recommendations to the Board of Trustees.

For care and office staff, Keech Hospice Care operates a pay structure designed to mirror the NHS pay bandings, where funding allows. Doctors are paid in line with NHS speciality doctor scales.

Within retail, assistant managers, managers and drivers have a spot salary scale.

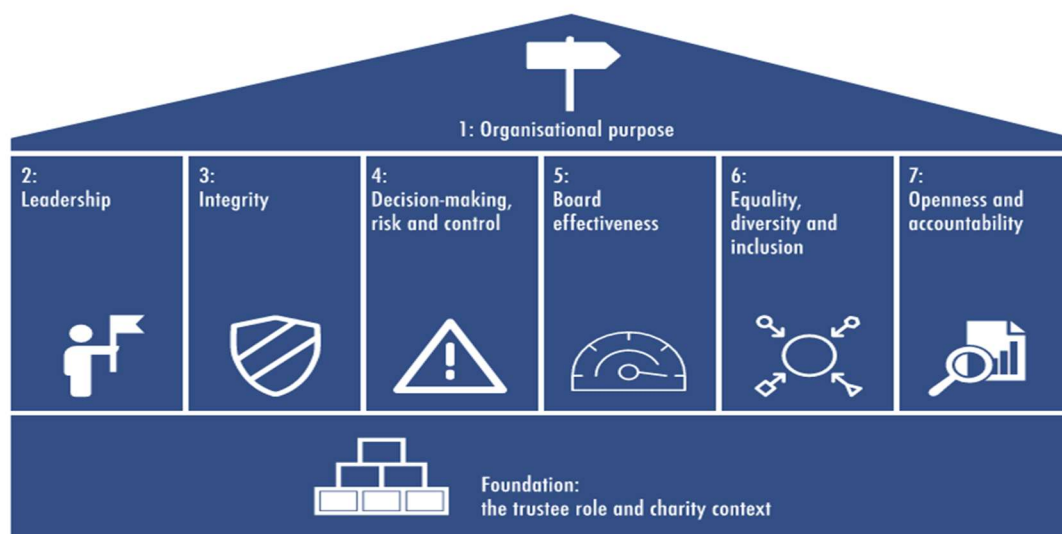
Senior management are not on the grade system. The Board of Trustees recognises that employment of first-class senior managers is vital if the hospice is to maximise the quality, efficiency and income of the charity and allow us to deliver our purpose. Salary levels for incoming senior managers are based on externally benchmarked market rates, with no progression. Existing senior management pay is reviewed by the Remuneration Committee. The pay ratio for the charity is less than 1 to 6, which means the highest paid employee is paid less than six times the lowest paid employee.

All grades may be eligible for an inflationary annual pay award, if this is affordable.

### **(v) Be well governed and well led**

Operating a charity in the current economic climate and with all the changes happening in the health and social care sector presents many challenges and requires strong well-developed leadership and governance. We continue to develop the Trustee Board and hospice management to ensure the charity operates at the highest level of effectiveness and efficiency. The Board has conducted a skills audit and a Board effectiveness audit. All trustees have had appraisals.

We continue to monitor ourselves against the Charity Governance Code:



In 2018/19 the Board conducted a review of governance against the new Charity Governance Code. The results of this exercise were very positive but enabled an action plan to be compiled to ensure we continue to improve and we reviewed our progress in 2019 and have considered the Code refresh at the end of 2020. Like many Boards we continue to prioritise recruiting Trustees from under represented groups.

The charity participation in *The Sunday Times* 100 Best Not-for-Profit Organisations to work for and reached an impressive 18<sup>th</sup> place. In addition, the organisation achieved 21<sup>st</sup> place of all companies in the East of England. It is important to note that leadership was rated particularly well by our staff, evidencing a three-star organisation.

### Assessing performance

The charity produces quarterly corporate and performance dashboards and a quarterly quality report, reviewed by the senior leadership team and trustees, which provides a detailed focus on effectiveness, particularly on the number of patients using each service, patient demographics, incidents, complaints, patient experience surveys, results of internal audits, palliative outcome scores and a substantial number of other measures. Monthly meetings of our Performance Committee (comprising the senior leadership team and senior managers) are also held to manage and share the responsibility for the effectiveness and efficiency of the charity.

The CEO's performance targets are agreed annually by the Board, monitored regularly by the Chair, and performance reported bi-annually to the Board. The Chair and CEO meet monthly to discuss relevant issues.

### Financial review

The detailed figures for the year ended 31 March 2021 are set out in the financial statements that follow this Trustees' Report.

### Expenditure

Excluding retail spend, expenditure was £7,097,000 (2020: £6,976,000) of which £5,593,000 (79%) was spent on hospice care services (2020: £5,562,000 / 80%). The proportion of expenditure on hospice care services has remained constant between years which represents our focus on maintaining our care services, despite all the challenges, during a year when they were most in demand.

Overall expenditure was 9% less than that budgeted for the year representing the transformation plan we implemented and careful control over costs throughout the year. We also limited expenditure on maintenance, repairs and capital projects throughout 2020/21 and have set aside funds, through a designated reserve, to carry these out during 2021/22.

The cost of activities for generating funds also decreased slightly in 2020/21 mainly through lower costs in retail due to our shops being closed. This was partly offset by slighter higher costs in fundraising relating to the Big Trunk Trail that launches in July 2021.

## Income

The charity's principal funding sources are: voluntary income (fundraising activities); retail income (sale of donated goods through shops and warehouse); income from the charity's lottery; statutory income (service level contracts and grants from NHS, local authority and government programmes) and profit from trading subsidiaries which undertake activities including the sale of bought-in goods and fundraising under tripartite agreements.

NHS England awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the COVID-19 situation and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose. In total £2.344m was received during 20/21.

Group consolidated income for the year totalled £12,629,000 (2020: £10,973,000), an increase of 15%. This includes £897,000 from the Coronavirus Job Retention Scheme, £444,000 of Retail, Hospitality and Leisure Grants and £100,000 of insurance claim proceeds, all of which are included in Other Operating Income.

## Funds and reserve transfers

The Consolidated Statement of Financial Activities on page 30 shows an increase in funds (surplus) of £1,950,000.

Unrestricted and undesignated funds have increased by £2,106,000 to £5,118,000 which is above the target set in the Reserves Policy (see below). At various points, during the financial year, we did not expect our reserves position to improve to this extent and the notification of three legacies, in the final month of the financial year, has had a material impact on our closing reserves position. Given the deficit budget approved for 2021/22 the Trustees were comfortable with reserves ending the year at this higher level with the expectation of reserves reducing during 2021/22.

However, the material events detailed in the Going Concern section of the Director's Report now mean we do not expect this to be the case at the end of 2021/22 and a review of our Reserves Policy will be taking place during 2021/22. This will be focussing on how we use our reserves to deliver/expand our services to our community and designating some of these funds for investment purposes.

As detailed above we have transferred £339k to a new designated fund which is funds set aside by the Trustees for maintenance, repairs and capital projects delayed from 2020/21 and to be carried out in 2021/22.

## Balance Sheet

Total net assets at 31 March 2021 are £13,956,000 which includes group cash balances of £6,299,000, inclusive of the Coronavirus Business Interruption Loan of £2,000,000. The carrying value of our fixed assets has reduced by £339k representing the under-investment in replacement of capital equipment and carrying out planned capital projects during 2020/21.

Further details of the funds analysis can be found in notes 19, 23 and 24 of the consolidated financial statements.

### Reserves Policy

The trustees have reviewed the reliability of future income streams, the commitment to future expenditure and risks faced as a charity. The charity has determined that it needs reserves for the following reasons:

- To fund shortfalls in income (whether statutory, retail, lottery, donations, legacies or other fundraising activities) when it does not reach expected levels. The charity is dependent on fundraised income as well as statutory funding. The fundraised income is subject to fluctuation as economic conditions change and statutory funding could be affected by government policy and the financial position of NHS commissioners;
- To fund unexpected expenditure, for example when projects overrun or unplanned events occur. This could also be for unexpected building maintenance costs and to provide a degree of flexibility for innovation; and
- To fund working capital. Most spend is salaries and therefore the timing of cash outflows is relatively fixed whereas both fundraised and statutory income fluctuate in terms of cash inflow over the year.

The Reserves Policy agreed by trustees sets a target for unrestricted reserves equating to six months of budgeted total operating costs less the budgeted direct costs of fundraising and trading. This target can be considered both a maximum and a minimum since, while it is prudent to maintain a level of reserves to enable the charity to cope with short-term spending pressures, it is not the charity's aim to simply allow reserves to continue to build up as funds have been provided and donations have been made to be spent on care services.

For the year 2021/22, the policy target equates to £3.386m. This Reserves Policy allows the charity to continue to provide care of the expected quality to meet the needs of patients as well as aiding the development of income streams and reducing costs.

These reserves would not usually be used for major capital developments, which instead would normally be funded through additional capital appeals. Freehold land and buildings are held in a designated reserve called the Building Assets Fund.

By designating these funds, the trustees aim to give a clear presentation of the unrestricted reserves available to the charity to meet its continuing operational commitments.

At the end of March 2021, the unrestricted undesignated reserves increased to £5.118m, representing 9 months of 2021/22 budgeted operating costs less the budgeted direct costs of fundraising and trading. It is worth noting that many charities do not exclude the direct costs of fundraising and trading and if we were to include those then our unrestricted undesignated reserves would represent around 6 months of total expenditure.

The charity approved a deficit in its 2021/22 budget given the uncertainty surrounding the lifting of restrictions and the effects of the COVID-19 pandemic. This was approved on the basis 2021/22 was a recovery year and reserves were at a level that could accommodate a deficit for that year. Expectations are that towards the end of 2021/22 income, and therefore future budgets will start to return to more normal levels.

The current level of reserves also allows the charity to continue to explore and develop its sources of income while monitoring and controlling costs so that, in future years, the charity can set budgets that maintain reserves in line with policy and continue to meet the charity's strategic aims.

The level of reserves will be monitored regularly by the Audit & Risk Committee and the Board, and the policy will be reviewed by the main Board when the annual budget is approved. This will ensure that appropriate steps are in place to bring manage our reserve levels.

## **Risk management**

The trustees of the charity, who are also the directors of Keech Hospice Care, have governance responsibility for the charity and its work. They are advised by the chief executive and the other members of the senior leadership team who also manage the operation of the hospice services.

The trustees are pleased to report that the charity's internal financial controls conform to the guidelines issued by the Charity Commission. These controls help the trustees meet their legal duties to safeguard the charity's assets, administer the charity's finances and assets in a way that identifies and manages risk, and ensure the quality of financial reporting by keeping adequate accounting records and preparing timely and relevant financial information.

The trustees are also aware of the requirement to report more fully on risk management in the annual report and are aware of the guidance for directors of public listed companies contained within the Turnbull Report. As a result, they have adopted a formal risk management policy using the principles of good governance and the policy requirements of the Health and Social Care Act 2008. The trustees have developed a risk register, which identifies risks to the charity in the areas of people, reputation and resilience.

The register describes how each risk is managed, and the processes, procedures and actions that are in place to mitigate the risk. Each risk is given a score reflecting the inherent and residual risk. Significant risks are reviewed at every meeting of the Audit & Risk Committee, chaired by an independent lay member, which reports back to each trustee meeting. This satisfies the trustees that adequate controls and procedures are in place to mitigate these risks. The Audit & Risk Committee also submits a formal annual report to the trustees.

Trustees conduct regular formal 'trustee visits'. Although these are no longer required by the Care Quality Commission, the Board has decided to continue them as they have proven beneficial for the organisation and individual trustees in their role. Internal financial audits are also carried out.

## **Fundraising practice**

Keech Hospice Care is committed to maintaining high standards of fundraising and retail activity. We are registered with the Fundraising Regulator and licensed by the Gambling Commission. We are members of the Institute of Fundraising, the Charity Retail Association, Hospice UK and Together For Short Lives. We are committed to Fundraising Codes of Practice and our contracted professional fundraising agency for new lottery players is also required to adhere to the Codes of Practice.

We received four fundraising complaints and eight retail complaints, all of which were resolved to the satisfaction of the individual. We promote an open culture to encourage reporting of any concerns. We provide our staff with a comprehensive programme of training, guidance and support, and monitor activity carried out on our behalf through weekly reporting, spot-checks and meetings. Our staff training includes safeguarding, and our culture promotes the key principles and behaviours of the Code of Practice (Legal, Open, Honest and Respectful).

## Principal risks and uncertainties

The over-riding risk facing the charity is one of reputational damage, which could result from any of the following risks and/or lead to one of these risks arising. Beyond reputational risk, the four main areas of risk are:

- **clinical risk** in the form of a major adverse clinical event
- **financial risk** arising from unplanned and/or unavoidable substantial expenditure or substantial reduction in fundraising and/or retail and/or statutory funding, or as a result of poor budgetary control or fraud
- **information technology risk** due to the system not being fit for purpose and outdated, a breach of data protection law, a failure of back-up procedures or an external cyber-attack on our systems
- **COVID-19 Pandemic** responding to the global challenge of a pandemic; financial, care and staff and volunteers.

## Sustainability

To ensure the long-term financial viability of the Charity we are focused on continuing to develop our key income streams. We will also use digital innovation to support both income growth and cost efficiencies throughout the organisation.

We aim to become a more environmentally sustainable organisation by ensuring our buildings operate efficiently and we continue to make use of technology to support remote working and reduced travelling, cost improvement and streamlined work practices to ensure we maximise the spend on our patient services.

## Future activities

The trustees and senior leadership team are ambitious for the future of Keech Hospice Care, post the pandemic. The chief executive of the charity is the Hospice UK representative for the East of England on the Hospice UK Advisory Council, which advises on key issues and priorities relating to hospice philosophy, policy, practice and professional development. The CEO has also been appointed to the new regional Strategic Clinical Network. We envisage a time when people can receive high-quality palliative and end-of-life care in the place of their choosing with each care setting prioritising those individual's unique needs. This may be in new technologically driven ways. We commit ourselves to a future where our care is dynamic, innovative and responsive. We will research and innovate new care delivery models to meet the needs of people with life-shortening illness, their relatives and family carers.

We want a future where people can live independently and with a good quality of living for as long as possible, and we will help people cope with the reality of dying, death and bereavement and do so with compassion, confidence and expertise. We will educate and support the public wherever possible. Post the pandemic we estimate the need for our care will be greater, driven by the needs for palliative Rehabilitation, the emotional distress caused by the isolation and loss of loved ones and the increase in late referrals to cancer services which we believe will, sadly, increase the numbers needing our services.

Our children's families have had a huge scare as a result of the COVID-19 pandemic. Confidence in leaving their already sick children in any service is at an all time low. We will build the confidence in our services and deliver them in ways that meet the needs of our families.

We believe we should shape our hospice care with systematic knowledge, be outcome focused and support developments with robust evidence of effectiveness.

Our services must dovetail with the NHS, local authorities, care homes, schools and children's respite facilities, too; and the communities we serve should shape it. The pandemic has given us new opportunities for this joint working.

We must also lead in both delivery and the education on what 'excellent palliative care' is.

Keech Hospice Care has decided to adapt and re-invent our contribution to care in a way that recognises the challenges ahead but never shirks from the ambition to find ways of extending care, using influence and identifying new opportunities to respond to need.

The demand for specialist palliative and end-of-life care will rise. There is a growing vulnerability of those who will need care as well as the increasing complexity of their needs. We live in a diverse community and one where disadvantage is evident. The Pandemic has highlighted this inequality sharply both in the number of incidents and deaths and in the loss of jobs and economic security. Never has a charity like ours been more needed. We continue to remaining a trustworthy organisation for all of our stakeholders who will be the cornerstone on which we build.

Whilst we have the two material events detailed in the Going Concern section, these are one-off, exceptional events and we still face challenges with uncertainty over some areas of our income following the pandemic, rising costs outside our control, as well as the need for us to work in a new and more competitive commissioning environment. With this in mind we continue to work, and be aware of opportunities to collaborate and share resources and knowledge, with other hospices and to allow us to meet the rising demand for our services and build long term resilience of the Charity.

There are key principles we must follow to adapt. These include:

- a responsibility to assess future needs for palliative and end-of-life care on a population basis
- valuing, listening and engaging our staff and volunteers in all we do
- being active and outward looking in developing new partnerships and understandings about what might enable us to succeed
- being both business focused and compassionate - 'hospice heart and a business brain'
- engaging and influencing at regional and national level
- striving to reach more people through our care, our income generation, our communications and our influence on other local health and social care services
- delivering excellence in all we do, modelling a leading charity
- working as good partners, campaigners and educators across local health and care systems to enable us to make a difference on a larger scale
- embracing new technology and a digital future, using our data to achieve insightful decisions
- having a strong reputation, being trustworthy and using our funds carefully to ensure maximum impact and show integrity to our donors
- being true to our values and guided by them always.

We are still in the midst of very turbulent times with some economic uncertainty following Brexit on top of the wide-reaching impact of the pandemic. We have taken measures to control our costs extremely tightly, maximise our income and look for new opportunities. We are continuing to refine our financial forward plans and have introduced more detailed financial monitoring tools. These, coupled with the creation of contingency and investment plans, will enable the charity to act swiftly, dynamically and flexibly to any financial challenges or opportunities we encounter. We are not alone; many hospices have experienced challenges in recent times and we will need to adapt and build resilience to allow us to maintain and expand our services.

We need to develop our workforce so it can deliver the differing portfolio of services the future will demand. In addition, we must invest in new ways to raise money and achieve greater efficiency.

We must continue our engagement with the national organisations that exist to support our work.

In summary, we must:

- continue to deliver outstanding care
- prepare for significant change in the context of palliative and end-of-life care with growing numbers of bereaved as well as economic challenges and uncertainty
- strengthen understanding of the contribution of hospice care
- be trustworthy and protect our reputation
- become a beacon of excellence, and contribute to the national and international body of knowledge
- grow our income to enable us to do more for those who need us, remaining sustainable
- show hospice care as a solution to future challenges in palliative and end-of-life care
- strengthen the connection between us and our local health and social care systems, and our local communities
- continue to be well led and well governed.
- continue making the difference when it matters the most.

The Trustees' Annual Report, which incorporates the Strategic Report was approved by the trustees on 23 September 2021, and is signed as authorised on its behalf by:

A handwritten signature in black ink, appearing to read 'Clive Medlam', written in a cursive style.

Clive Medlam  
Chair of Trustees and Director  
Keech Hospice Care

## Independent Auditor's Report to the members of Keech Hospice Care

### Opinion

We have audited the financial statements of Keech Hospice Care for the year ended 31 March 2021 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheet, the Group Statement of Cash Flows and notes to the financial statements, 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 group and parent charitable company's affairs as at 31 March 2021 and of the group and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or parent 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 trustees with respect to going concern are described in the relevant sections of this report.

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the group and parent charitable company; or
- the group and 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.

### **Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on pages 8 & 9, the trustees (who are also the directors of the group and parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

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

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

Based on our understanding of the group and parent charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the use of restricted funds, care quality commission compliance, Gambling Commission and compliance with employment law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Charities Act 2011 and Charities SORP.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to depreciation charges. Audit procedures performed by the engagement team included:

- Inspecting minutes of Trustees' meetings;
- Reviewing allocations and disclosures relating to restricted funds;
- Reviewing the latest Care Quality Commission (CQC) reports;
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates. These related to accrued legacy income, depreciation, holiday pay accrual and bad debt provision.

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 auditor's report.

### Use of our report

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

Siobhan Holmes (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place  
London  
EC4R 1AG

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**Consolidated Statement of Financial Activities**  
(including Income & Expenditure Account)  
for the year ended 31 March 2021

	Notes	2021			2020		
		Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
<b>Income from:</b>							
Donations and legacies	4	3,140	500	<b>3,640</b>	1,648	729	<b>2,377</b>
Charitable activities	8						
Adult hospice		1,208	720	<b>1,928</b>	851	52	<b>903</b>
Palliative Care Centre		303	560	<b>863</b>	233	170	<b>403</b>
Children's hospice		738	584	<b>1,322</b>	496	309	<b>805</b>
Children's community team		225	526	<b>751</b>	203	240	<b>443</b>
Supportive care		179	607	<b>786</b>	5	123	<b>128</b>
Educate and communicate		180	67	<b>247</b>	51	-	<b>51</b>
Total charitable activities		<b>2,833</b>	<b>3,064</b>	<b>5,897</b>	<b>1,839</b>	<b>894</b>	<b>2,733</b>
Other trading income							
Trading income	7	40	-	<b>40</b>	89	11	<b>100</b>
Charitable trading income		124	-	<b>124</b>	174	4	<b>178</b>
Lottery income		547	98	<b>645</b>	496	121	<b>617</b>
Retail income		629	211	<b>840</b>	3,236	1,048	<b>4,284</b>
		<b>1,340</b>	<b>309</b>	<b>1,649</b>	<b>3,995</b>	<b>1,184</b>	<b>5,179</b>
Investment income		2	-	<b>2</b>	10	-	<b>10</b>
Other Operating Income	6	1,441	-	<b>1,441</b>	674	-	<b>674</b>
<b>Total income</b>		<b>8,756</b>	<b>3,873</b>	<b>12,629</b>	<b>8,166</b>	<b>2,807</b>	<b>10,973</b>
<b>Expenditure on:</b>							
Raising funds		707	71	<b>778</b>	572	115	<b>687</b>
Charitable activities							
Adult hospice		949	938	<b>1,887</b>	1,780	163	<b>1,943</b>
Palliative Care Centre		301	618	<b>919</b>	581	280	<b>861</b>
Children's hospice		769	886	<b>1,655</b>	652	1,186	<b>1,838</b>
Children's community team		130	536	<b>666</b>	459	114	<b>573</b>
Supportive care		157	606	<b>763</b>	609	86	<b>695</b>
Educate and communicate		362	67	<b>429</b>	379	-	<b>379</b>
Total charitable activities		<b>2,668</b>	<b>3,651</b>	<b>6,319</b>	<b>4,460</b>	<b>1,829</b>	<b>6,289</b>
Trading expenditure		3,341	241	<b>3,582</b>	3,092	667	<b>3,759</b>
<b>Total expenditure</b>	9	<b>6,716</b>	<b>3,963</b>	<b>10,679</b>	<b>8,124</b>	<b>2,611</b>	<b>10,735</b>
<b>Net income (expenditure) for the year</b>		2,040	(90)	<b>1,950</b>	42	196	<b>238</b>
Transfers between funds	23	40	(40)	-	400	(400)	-
<b>Net movement in funds</b>		<b>2,080</b>	<b>(130)</b>	<b>1,950</b>	<b>442</b>	<b>(204)</b>	<b>238</b>
<b>Reconciliation of funds</b>							
Total funds brought forward	23	11,429	577	<b>12,006</b>	10,986	781	<b>11,767</b>
<b>Total funds carried forward</b>	23	<b>13,509</b>	<b>447</b>	<b>13,956</b>	<b>11,428</b>	<b>577</b>	<b>12,005</b>

The results are derived from continuing activities. All gains and losses recognised in the year are included above. The surplus for the year comprises the net income for the year and was £1,950,000 (2020: £238,000 surplus).

The accompanying notes on pages 33-51 form an integral part of this consolidated statement of financial activities.

**Balance Sheet**  
**as at 31 March 2021**  
 Company number: 2904446

	Notes	Group 2021 £'000	Charity 2021 £'000	Group 2020 £'000	Charity 2020 £'000
<b>FIXED ASSETS</b>					
Tangible assets	15	8,078	8,078	8,417	8,417
		<b>8,078</b>	<b>8,078</b>	8,417	8,417
<b>CURRENT ASSETS</b>					
Stocks	16	21	-	16	-
Debtors	17	2,518	2,574	2,291	2,333
Cash at bank and in hand		6,299	6,253	1,295	1,255
Short-term deposits		-	-	509	509
		<b>8,838</b>	<b>8,827</b>	4,111	4,097
CREDITORS: amounts falling due within one year	18	(960)	(949)	(523)	(509)
Net current assets		<b>7,878</b>	<b>7,878</b>	3,588	3,588
CREDITORS: amounts falling due after more than one year	18	(2,000)	(2,000)	-	-
<b>Net assets</b>	19	<b>13,956</b>	<b>13,956</b>	12,005	12,005
<b>FUNDS</b>					
<b>Unrestricted funds</b>					
General fund		5,118	5,118	3,012	3,012
Designated funds		8,417	8,417	8,417	8,417
Total unrestricted funds		13,535	13,535	11,429	11,429
Restricted funds		421	421	576	576
<b>TOTAL FUNDS</b>	23	<b>13,956</b>	<b>13,956</b>	12,005	12,005

The parent charity's gross income for the year was £12,598,000 (2020: £10,921,000) and the net result for the year was £1,950,000 surplus (2020: £238,000 surplus)

The financial statements on pages 30-51 were approved by the trustees on 23 September 2021 and signed on their behalf by:



Clive Medlam  
 Chair of Trustees

## Consolidated Statement of Cash Flows for the year ended 31 March 2021

	2021 £'000	2021 £'000	2020 £'000	2020 £'000
<b>Cash flows from operating activities</b>				
Net income (expenditure) for the year		1,950		238
Investment income		(2)		(10)
Depreciation charges		467		467
(Profit) loss on sale of fixed assets		-		3
Decrease / (increase) in stock		(5)		(3)
(Increase) / decrease in debtors		(227)		(729)
Increase / (decrease) in creditors		437		(72)
<b>Net cash provided by (used in) operating activities</b>		<b>2,620</b>		<b>(106)</b>
<b>Cash flows from investing activities</b>				
Payments to acquire tangible fixed assets	(127)		(746)	
Bank interest received	2		10	
	<b>(125)</b>		<b>10</b>	
<b>Cashflows from financing activities</b>				
Proceeds from long-term debt		2,000		-
<b>Increase/(decrease) of cash in the year</b>		<b>4,495</b>		<b>(842)</b>
Cash at 1 April		1,804		2,646
Increase/(decrease) of cash in the year		4,495		(842)
<b>Cash at 31 March</b>		<b>6,299</b>		<b>1,804</b>

To be viewed in conjunction with Note 18

## Notes to the Accounts

### 1. Accounting policies

#### Accounting convention

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2015, Second Edition, effective 1 January 2019) 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 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

These financial statements consolidate the financial statements of the charity, its subsidiary Keech Hospice Care (Trading) Limited and its related company undertaking Pasque Charity (Trading) Limited. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

The hospice meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical costs or transaction value unless otherwise stated in the relevant accounting policy note(s).

#### Currency

The Group's functional currency and presentational currency is pounds sterling (GBP).

#### Title

The charitable company has an exemption under Paragraph 60 of the Companies Act 2006 from using "Limited" in the title.

#### Going concern

There are no material uncertainties regarding the charity's ability to continue in operation. The trustees have reviewed financial forecasts and are confident that the charity will continue as a going concern for the foreseeable future. The trustees also recognise that an adequate level of reserves supports and maintains the charity as a going concern by allowing the chief executive and senior leadership team a period to implement change or contingency plans to address any budgetary problems.

Clearly the effects of COVID-19 will be felt for some time and will have had a major impact on the viability of many organisations both in 2021/22 and beyond. To mitigate the impact a full review of our cost base, structure and income plans has been undertaken to enable the Charity to address this challenge and continue to provide services to our community for many years to come.

#### Fund accounting

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

Designated funds - Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

Restricted Funds - 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. A fair proportion of overheads are allocated to the specific funds where appropriate.

Investment income and gains are allocated to the appropriate fund.

## Income

All income is included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. In particular, this includes the following.

- **Legacies:** for legacies, entitlement is taken as the earlier of the date on which either probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity 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.
- **Donations:** income is recognised when the funds are received by the charity.
- **Donated goods and services:** donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' Annual Report for more information about their contribution. On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.
- **Retail, Leisure and Hospitality Grants:** these grants were made as part of the governments COVID-19 economic response and have been recognised within these accounts and form part of Other Operating Income. Income is recognised upon entitlement.
- **Coronavirus Job Retention Scheme:** these grants were made as part of the governments COVID-19 economic response and have been recognised within these accounts and form part of Other Operating Income. Income is recognised upon entitlement.

## Expenditure

All expenditure is accounted for on an accruals basis and is recognised once there is a legal or constructive obligation to make a payment to a third party and has been classified under headings that aggregate all costs related to the category.

- **Fundraising costs** are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

- **Trading costs** are those incurred in undertaking trading activities (including retail).
- **Cost of charitable activities** are those which directly relate to activities which further the charitable objectives of the charity.
- **Governance costs** include the cost of the audit of statutory accounts; the cost of trustee meetings; the cost of legal advice to trustees on constitutional or governance matters; and a charge for the salary cost of senior management to cover time spent on compliance with constitutional or statutory requirements. These have been allocated to activity cost categories on the basis of headcount within each activity.
- **Support costs** include central functions and have been allocated to the four activity cost categories detailed above on a basis consistent with the use of resources.

### Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

### Tangible fixed assets and depreciation

Tangible fixed assets costing more than £1,500 are capitalised and included at cost including any incidental expenses of acquisition. Depreciation is calculated so as to write off the cost of an asset, less estimated residual value, over the useful economic life of that asset, on a straight line basis, as follows:

Freehold property (excluding land):	50 years
Leasehold property improvements:	5 years or the period of the lease
Care equipment:	4 to 10 years
Office equipment:	4 years
Fixtures and fittings:	4 to 10 years
Motor vehicles:	4 years

The carrying values of tangible fixed assets are reviewed for impairment should events or changes in circumstances indicate the carrying value may not be recoverable.

### Stock

Stocks, which consist of purchased goods, are stated at the lower of cost and net realisable value after making an allowance for obsolete and slow-moving items. Cost is calculated on a first in, first out basis. Net realisable value represents the amounts recoverable on eventual sale less any costs incurred in getting the materials from their current location and condition to the point of sale. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

### Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount pre-paid.

### Cash at bank and in hand

Cash at bank and cash in hand includes short term highly liquid investments with a short maturity of three months or less.

## **Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

## **Financial instruments**

The charity only has financial assets and financial liabilities that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

## **Operating lease agreements**

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the SOFA on a straight line basis over the period of the lease.

## **Contribution to pension funds**

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the statement of financial activities.

There are some employees who are members of the National Health Service Pension Scheme which is a multi-employer defined benefit scheme. The charity is unable to identify its share of the underlying assets and liabilities. It is therefore accounted for on a defined contribution basis. The annual contributions are charged to the statement of financial activities.

## **Taxation**

The activities of Keech Hospice Care are exempt from Corporation Tax under Section 505 of the Income and Corporation Taxes Act 1988 to the extent that they are applied to the organisation's charitable objects. The group does not pay corporation tax because the policy of the subsidiary and related trading company is to pay taxable profits under gift aid to the charity.

## **Estimates and judgements**

In applying the accounting policies, the Trustees have made accounting judgements, estimated and assumptions about the carrying amount of the assets and liabilities. These estimates and judgements are based on historical experience and are regularly reviewed. Those that have a material effect on the amounts recognised in the financial statements are discussed below:

### **Judgements**

Impairment testing is carried out for all tangible assets at the year end date where there is an indication that impairment exists. An impairment loss is recognised where the carrying amount exceeds the asset's recoverable amount.

Legacies are recognised when the criteria of entitlement, probability and certainty of the amount can be met.

All debtors are reviewed to determine if a bad debt provision is required.

### **Estimates**

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Gifts in kind are included in the financial statements at their market value at the time of their receipt.

## 2. Company structure

The charity is a private company limited by guarantee incorporated in England and Wales. The members of the company are the trustees named on page 3. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. At 31 March 2021, the number of such guarantees was 13 (2020: 12).

## 3. Contingent liabilities

Sales of goods donated under the retail gift aid scheme are recognised as income at the point of sale. Technically, the sale proceeds, less commission, belong to the donor until 21 days elapse after we write to the donor to inform them of the sale. It is rare for a donor to ask for their sales proceeds to be returned but, at the year-end, there was £11,072 (2020: £145,459) of income that was within this 21-day timeframe so could potentially be asked to be returned. The accounts also include the £2,768 (2020: £36,364) of gift aid that is recoverable on these donations. At the date of signing the accounts, this timeframe had elapsed and £219 (2020: £Nil) of this income had been returned to donors.

## 4. (a) Donations and legacies (current year)

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000
Individual donations and gifts	1,074	280	1,354
Corporate donations	246	7	253
Events	283	3	286
Trusts and grants	386	36	422
Legacies	1,151	174	1,325
<b>Total donations and legacies</b>	<b>3,140</b>	<b>500</b>	<b>3,640</b>

Included in donations and legacies are £131,885 (2020: £85,131) of gifts in kind, including £118,730 for personal protective equipment.

## (b) Donations and legacies (prior year)

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000
Individual donations and gifts	689	275	964
Corporate donations	313	32	345
Events	239	38	277
Trusts and grants	44	249	293
Legacies	363	135	498
Other funding	-	-	-
<b>Total donations and legacies</b>	<b>1,648</b>	<b>729</b>	<b>2,377</b>

## 5. Grants received

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Grant contribution funded by NHS England - Children's Hospice Grant	348	324
Grant contribution funded by NHS England - COVID-19 Support	<u>2,345</u>	<u>-</u>
	<b><u>2,693</u></b>	<b><u>324</u></b>

Grants are allocated across charitable activities are set out in Note 8.

## 6. Other Operating Income

	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds 2021	Funds 2021	<b>2021</b>	Funds 2020	Funds 2020	2020
	£'000	£'000	<b>£'000</b>	£'000	£'000	£'000
Retail, Hospitality and Leisure Grant Fund	444	-	444	674	-	674
Coronavirus Job Retention Scheme	897	-	897	-	-	-
Insurance Claim Proceeds	100	-	100	-	-	-
	<u>1,441</u>	<u>-</u>	<b><u>1,441</u></b>	<u>674</u>	<u>-</u>	<b><u>674</u></b>

## 7. (a) Activities for generating funds (current year)

### Trading operations and related companies

From 1 April 2010, the charity has traded through Keech Hospice Care (Trading) Ltd (company number 06941924), a company limited by shares registered in England and Wales as a wholly owned trading subsidiary of Keech Hospice Care. The company is used for non-primary purpose trading activities, namely the sale of bought-in goods through the charity's shops and fundraising under tripartite agreements.

Pasque Charity (Trading) Limited (company number 02362985) is the old trading company of the charity in full use until March 2009. This company was effectively dormant during the year.

Both Keech Hospice Care (Trading) Ltd and Pasque Charity (Trading) Limited have the same registered office as Keech Hospice Care.

All activities of the trading companies have been consolidated on a line-by-line basis in the consolidated statement of financial activities. A summary of the results of Keech Hospice Care (Trading) Ltd and Pasque Charity (Trading) Limited is shown below. The directors of both companies are Trevor Nash, Michael Hubbocks (Trustee) and the finance director.

	Keech Hospice Care Trading 2021 £'000	Pasque Charity (Trading) 2021 £'000	<b>Total 2021 £'000</b>
<b>Turnover</b>			
Sale of bought-in goods	39	-	<b>39</b>
Conference sales	(0)	-	<b>(0)</b>
Corporate fundraising agreements	1	-	<b>1</b>
	<u>40</u>	<u>-</u>	<u><b>40</b></u>
<b>Cost of sales and administrative expenses</b>			
Unrestricted	<u>(39)</u>	<u>-</u>	<u><b>(39)</b></u>
Governance	-	-	-
Amounts gift aided to Keech Hospice Care	(1)	-	<b>(1)</b>
	<u>-</u>	<u>-</u>	<u>-</u>
The aggregate of the assets, liabilities and funds was:			
Assets	25	45	<b>70</b>
Liabilities	(25)	(45)	<b>(70)</b>
<b>Funds</b>	<u>-</u>	<u>-</u>	<u>-</u>

Amounts owed to the parent undertaking are shown in Note 17. Included within cost of sales and administration expenses above is a management charge of £8,245 (2020: £12,655) from the parent charity.

#### (b) Activities for generating funds (prior year)

	Keech Hospice Care Trading 2020 £'000	Pasque Charity (Trading) 2020 £'000	<b>Total 2020 £'000</b>
<b>Turnover</b>			
Sale of bought-in goods	88	-	<b>88</b>
Conference sales	2	-	<b>2</b>
Corporate fundraising agreements	11	-	<b>11</b>
	<u>100</u>	<u>-</u>	<u><b>100</b></u>
<b>Cost of sales and administrative expenses</b>			
Unrestricted	<u>(65)</u>	<u>-</u>	<u><b>(65)</b></u>
Governance	-	-	-
Amounts gift aided to Keech Hospice Care	(35)	-	<b>(35)</b>
	<u>-</u>	<u>-</u>	<u>-</u>
The aggregate of the assets, liabilities and funds was:			
Assets	20	36	<b>56</b>
Liabilities	(20)	(36)	<b>(56)</b>
<b>Funds</b>	<u>-</u>	<u>-</u>	<u>-</u>

## 8. (a) Income from charitable activities (current year)

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000
Core NHS agreements	787	-	787
Local Authority & NHS agreements for specific care	35	16	51
Specialist palliative care payments for specific purposes	386	-	386
Statutory contributions to pension costs	-	17	17
Grant contribution funded by NHS England - COVID-19 Support	-	658	658
Restricted Donations	-	29	29
<b>Subtotal for the Adult Hospice</b>	<b>1,208</b>	<b>720</b>	<b>1,928</b>
Core NHS agreements	177	-	177
Local Authority & NHS agreements for specific care	-	-	-
Specialist palliative care payments for specific purposes	126	34	160
Statutory contributions to pension costs	-	6	6
Grant contribution funded by NHS England - COVID-19 Support	-	397	397
Restricted Donations	-	123	123
<b>Subtotal for the Wellbeing Centre</b>	<b>303</b>	<b>560</b>	<b>863</b>
Core NHS agreements	625	-	625
Local Authority & NHS agreements for specific care	3	3	6
Specialist palliative care payments for specific purposes	110	-	110
Statutory contributions to pension costs	-	13	13
Grant contribution funded by NHS England - Children's Hospice Grant	-	243	243
Grant contribution funded by NHS England - COVID-19 Support	-	304	304
Restricted Donations	-	21	21
<b>Subtotal for the Children's Hospice</b>	<b>738</b>	<b>584</b>	<b>1,322</b>
Core NHS agreements	212	-	212
Local Authority & NHS agreements for specific care	-	-	-
Specialist palliative care payments for specific purposes	13	-	13
Statutory contributions to pension costs	-	7	7
Grant contribution funded by NHS England - Children's Hospice Grant	-	104	104
Grant contribution funded by NHS England - COVID-19 Support	-	393	393
Restricted Donations	-	22	22
<b>Subtotal for the Children's Community Team</b>	<b>225</b>	<b>526</b>	<b>751</b>
Core NHS agreements	48	31	79
Local Authority & NHS agreements for specific care	8	-	8
Specialist palliative care payments for specific purposes	123	-	123
Statutory contributions to pension costs	-	5	5
Grant contribution funded by NHS England - COVID-19 Support	-	527	527
Restricted Donations	-	44	44
<b>Subtotal for Supportive Care</b>	<b>179</b>	<b>607</b>	<b>786</b>
Core NHS agreements	103	-	103
Specialist palliative care payments for specific purposes	9	-	9
NHS Funding for Education Purposes	68	-	68
Statutory contributions to pension costs	-	1	1
Grant contribution funded by NHS England - COVID-19 Support	-	66	66
Restricted Donations	-	-	-
<b>Subtotal for Educate and Communicate</b>	<b>180</b>	<b>67</b>	<b>247</b>
<b>Total income from charitable activities</b>	<b>2,833</b>	<b>3,064</b>	<b>5,897</b>
Total restricted donations	-	(239)	(239)
<b>Total statutory income</b>	<b>2,833</b>	<b>2,825</b>	<b>5,658</b>

**(b) Income from charitable activities (prior year)**

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000
Core NHS agreements	487	-	487
Local Authority & NHS agreements for specific care	36	8	44
Specialist palliative care payments for specific purposes	328	-	328
Statutory contributions to pension costs	-	20	20
Restricted Donations	-	24	24
<b>Subtotal for the Adult Hospice</b>	<b>851</b>	<b>52</b>	<b>903</b>
Core NHS agreements	80	-	80
Local Authority & NHS agreements for specific care	-	-	-
Specialist palliative care payments for specific purposes	153	33	186
Statutory contributions to pension costs	-	4	4
Restricted Donations	-	133	133
<b>Subtotal for the Wellbeing Centre</b>	<b>233</b>	<b>170</b>	<b>403</b>
Core NHS agreements	420	-	420
Local Authority & NHS agreements for specific care	19	33	52
Specialist palliative care payments for specific purposes	57	-	57
Statutory contributions to pension costs	-	14	14
Grant contribution funded by NHS England	-	227	227
Restricted Donations	-	35	35
<b>Subtotal for the Children's Hospice</b>	<b>496</b>	<b>309</b>	<b>805</b>
Core NHS agreements	180	-	180
Local Authority & NHS agreements for specific care	-	-	-
Specialist palliative care payments for specific purposes	23	-	23
Statutory contributions to pension costs	-	5	5
Grant contribution funded by NHS England	-	97	97
Restricted Donations	-	138	138
<b>Subtotal for the Children's Community Team</b>	<b>203</b>	<b>240</b>	<b>443</b>
Core NHS agreements	2	27	29
Local Authority & NHS agreements for specific care	-	-	-
Specialist palliative care payments for specific purposes	3	-	3
Statutory contributions to pension costs	-	5	5
Restricted Donations	-	91	91
<b>Subtotal for Supportive Care</b>	<b>5</b>	<b>123</b>	<b>128</b>
Core NHS agreements	1	-	1
Specialist palliative care payments for specific purposes	4	-	4
NHS Funding for Education Purposes	46	-	46
Restricted Donations	-	-	-
<b>Subtotal for Educate and Communicate</b>	<b>51</b>	<b>-</b>	<b>51</b>
<b>Total income from charitable activities</b>	<b>1,839</b>	<b>894</b>	<b>2,733</b>
Total restricted donations	-	(421)	(421)
<b>Total statutory income</b>	<b>1,839</b>	<b>473</b>	<b>2,312</b>

## 9. (a) Resources expended (current year)

	Staff costs £'000	Other Direct costs £'000	Deprec- iation £'000	Support costs £'000	Gover- nance £'000	2021 Total £'000
<b>Cost of generating funds</b>						
Fundraising	520	216	0	36	6	778
Trading	1,892	1,389	92	181	28	3,582
<b>Total cost of generating funds</b>	<b>2,412</b>	<b>1,605</b>	<b>92</b>	<b>217</b>	<b>34</b>	<b>4,360</b>
<b>Cost of charitable activities</b>						
Adult hospice	1,220	299	77	275	16	1,887
Palliative Care Centre	620	164	53	76	6	919
Children's hospice	1,018	257	145	222	13	1,655
Children's community team	527	93	2	38	6	666
Supportive Care	630	83	-	43	7	763
Educate and Communicate	313	92	-	21	3	429
<b>Total cost of charitable activities</b>	<b>4,328</b>	<b>988</b>	<b>277</b>	<b>675</b>	<b>51</b>	<b>6,319</b>
Governance costs	46	36	-	3	(85)	-
Support costs	293	505	97	(895)	-	-
<b>Total expenditure</b>	<b>7,079</b>	<b>3,134</b>	<b>466</b>	<b>-</b>	<b>-</b>	<b>10,679</b>
<b>Total expenditure (prior year)</b>	<b>7,220</b>	<b>3,046</b>	<b>468</b>	<b>-</b>	<b>-</b>	

The support costs allocated, and the bases of allocation, are as follows:

	Allocation basis	2021 £'000
Facilities and services	Time and Headcount	429
Management, HR, Finance, Admin, IT, Marketing and Communications	Headcount	466
<b>Total support costs</b>		<b>895</b>

The governance costs are allocated based on headcount across the different activity areas.

## (b) Resources expended (prior year)

	Staff costs £'000	Other Direct costs £'000	Deprec- iation £'000	Support costs £'000	Gover- nance £'000	2020 Total £'000
<b>Cost of generating funds</b>						
Fundraising	523	118	5	35	6	687
Trading	1,875	1,581	106	170	27	3,759
<b>Total cost of generating funds</b>	<b>2,398</b>	<b>1,699</b>	<b>111</b>	<b>205</b>	<b>33</b>	<b>4,446</b>
<b>Cost of charitable activities</b>						
Adult hospice	1,332	246	74	274	17	1,943
Palliative Care Centre	600	127	52	75	7	861
Children's hospice	1,169	282	147	225	15	1,838
Children's community team	472	55	5	35	6	573
Supportive Care	582	61	3	42	7	695
Educate and Communicate	314	43	-	19	3	379
<b>Total cost of charitable activities</b>	<b>4,469</b>	<b>814</b>	<b>281</b>	<b>670</b>	<b>55</b>	<b>6,289</b>
Governance costs	44	38	2	3	(87)	-
Support costs	310	495	74	(879)	-	-
<b>Total expenditure</b>	<b>7,221</b>	<b>3,046</b>	<b>468</b>	<b>(1)</b>	<b>1</b>	<b>10,735</b>
<b>Total expenditure (prior year)</b>	<b>7,050</b>	<b>3,222</b>	<b>495</b>	<b>-</b>	<b>-</b>	

The support costs allocated, and the bases of allocation, are as follows:

	Allocation basis	2020 £'000
Facilities and services	Time and Headcount	419
Management, HR, Finance, Admin, IT, Marketing and Communications	Headcount	460
<b>Total support costs</b>		<b>879</b>

The governance costs are allocated based on headcount across the different activity areas.

## 10. Analysis of staff costs

	2021 £'000	2020 £'000
Wages and salaries	6,196	6,312
Social security costs	461	464
Employer's contribution to defined contribution pension schemes	422	444
	<b>7,079</b>	<b>7,220</b>

During the year, 7 employees were made redundant with redundancy payments totalling £23,919 being made.

The number of employees whose employee benefits amounted to over £60,000 in the year was as follows:

	2021 Number	2020 Number
£60,000 - £69,999	2	3
£70,000 - £79,999	-	-
£80,000 - £89,999	1	1
	<u>1</u>	<u>1</u>

Two members of the employees included in the bandings above £60,000 have retirement benefits accruing under a defined contribution scheme (2020: two members). Payments to defined contribution schemes in the year in respect of those employees included in the bandings above £60,000 totalled £12,611 (2020: £12,611).

The hospice considers that the key management personnel comprises the trustees and the senior leadership team. Total employee benefits of the senior leadership team was £404,173 (2020: £405,790).

## 11. Staff numbers

The average monthly headcount (including bank staff) was 284 (2020: 297) and analysis of the employees by function was:

	2021		2020	
	Actual number	Full-time equivalent	Actual number	Full-time equivalent
Adult Hospice	44	43	48	47
Palliative Care Centre	11	9	13	10
Children's Hospice	31	31	34	36
Children's Community Team	17	12	16	12
Supportive Care	24	17	25	18
Fundraising	21	19	23	20
Trading	90	72	91	73
Facilities and services	15	9	15	10
Management, HR, Finance, Administration and IT	25	22	27	24
Public Relations and Communications	5	5	5	5
	<u>283</u>	<u>239</u>	<u>297</u>	<u>255</u>

The hospice had an average of 1,420 volunteers during the year (2020: 1,386), of which 870 (2020: 824) worked in our retail operations and 550 (2020: 562) supported the charitable and administrative work of the hospice. We are extremely grateful for their efforts.

## 12. Pension costs

Contributions to the defined contribution pension scheme for the period were £243,000 (2020: £241,000). Contributions outstanding at the year-end totalled £41,000 (2020: £42,000).

Contributions to the National Health Service Pension Scheme for the period were £179,000 (2020: £202,000) and the agreed contribution rate was 14.3%. Contributions outstanding at the year-end totalled £22,000 (2020: £26,000).

The NHS Pension Scheme is an unfunded occupational scheme backed by the Exchequer, which is open to all NHS employees and certain employees of other approved organisations. Keech Hospice Care is an approved organisation. The Scheme provides pensions, based on final salary, in varying circumstances for employees of participating employers. The Scheme receives contributions from employees and employers to defray the costs of pensions and other benefits.

From 1 April 2006, the NHS Business Services Authority (the Authority) has been the body responsible for the administration of the NHS Pension Scheme for England and Wales.

In support of the Authority, NHS employers are required to explain the Scheme to the employees. In addition, they submit pension data to the NHS Business Services Authority (NHSBSA). To ensure proper administration, the hospice outsources the management of this Scheme.

Every four years, the Government Actuary conducts a full actuarial review of contribution rates. In order to defray the costs of benefits, in 2019/20 employers paid contributions of 14.38% of pensionable pay and employees contributed on a tiered scale from 5%-14.5% of their pensionable pay, depending on total earnings. Further information on benefits can be obtained from the NHS Pension Scheme website.

### 13. Movement in total funds for the group

Movement in total funds is arrived at after charging:

	2021 £'000	2020 £'000
Auditor's remuneration - Audit Fee (Group)	18	17
Operating lease rentals - land and buildings	702	697
Depreciation	467	467

### 14. Trustees' remuneration and expenses

The trustees neither received nor waived any emoluments during the year.

No trustees received reimbursement of expenses during the year in their role as trustee (2020: None).

Trustees made voluntary donations totalling of £2,358 during the year (2020: £2,306).

### 15. Tangible fixed assets

	Freehold Land and Buildings £'000	Leasehold Property Improve- ments £'000	Hospice Care Equipment £'000	Office Equipment £'000	Fixtures and Fittings £'000	Motor Vehicles £'000	Total £'000
<b>GROUP AND CHARITY</b>							
<b>Cost</b>							
At 1 April 2020	10,808	1,679	401	725	1,168	97	<b>14,878</b>
Additions	17	-	20	3	87	-	<b>127</b>
Disposals	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
<b>At 31 March 2021</b>	<b>10,825</b>	<b>1,679</b>	<b>421</b>	<b>728</b>	<b>1,255</b>	<b>97</b>	<b>15,005</b>
<b>Depreciation</b>							
At 1 April 2020	3,128	1,424	362	677	774	95	<b>6,460</b>
Charge for year	217	70	24	20	135	1	<b>467</b>
Disposals	-	-	-	-	-	-	-
<b>At 31 March 2021</b>	<b>3,345</b>	<b>1,494</b>	<b>386</b>	<b>697</b>	<b>909</b>	<b>96</b>	<b>6,927</b>
<b>Net book value</b>							
<b>At 31 March 2021</b>	<b>7,480</b>	<b>185</b>	<b>35</b>	<b>31</b>	<b>346</b>	<b>1</b>	<b>8,078</b>
At 1 April 2020	7,679	254	39	48	395	2	<b>8,417</b>

All of the above assets are used for charitable purposes.

## 16. Stock

	<b>Group</b> <b>2021</b> <b>£'000</b>	<b>Charity</b> <b>2021</b> <b>£'000</b>	<b>Group</b> <b>2020</b> <b>£'000</b>	<b>Charity</b> <b>2020</b> <b>£'000</b>
Goods for resale	21	-	16	-

## 17. Debtors

	<b>Group</b> <b>2021</b> <b>£'000</b>	<b>Charity</b> <b>2021</b> <b>£'000</b>	<b>Group</b> <b>2020</b> <b>£'000</b>	<b>Charity</b> <b>2020</b> <b>£'000</b>
Trade debtors	275	274	314	313
Amounts owed by related undertaking	-	57	(3)	42
Other debtors	153	153	176	176
Prepayments and accrued income	2,090	2,090	1,804	1,802
	<b>2,518</b>	<b>2,574</b>	<b>2,291</b>	<b>2,333</b>

## 18. Creditors: amounts falling due within one year

	<b>Group</b> <b>2021</b> <b>£'000</b>	<b>Charity</b> <b>2021</b> <b>£'000</b>	<b>Group</b> <b>2020</b> <b>£'000</b>	<b>Charity</b> <b>2020</b> <b>£'000</b>
Trade creditors	224	224	165	165
Other creditors	63	55	75	64
Accruals and deferred income	673	670	283	280
	<b>960</b>	<b>949</b>	<b>523</b>	<b>509</b>

## Creditors: amounts falling due after more than one year

	<b>Group</b> <b>2021</b> <b>£'000</b>	<b>Charity</b> <b>2021</b> <b>£'000</b>	<b>Group</b> <b>2020</b> <b>£'000</b>	<b>Charity</b> <b>2020</b> <b>£'000</b>
Coronavirus Business Interruption Loan				
Due < 1 year	67	67		
Due 1-2 years	400	400		
Due 2-5 years	1,200	1,200		
Due 5+ years	333	333		
	<b>2,000</b>	<b>2,000</b>	<b>-</b>	<b>-</b>

The loan is for a term of 6 years from January 2021 with no interest or repayment in the first year. Thereafter there is a fixed interest rate but the loan can be repaid, with no penalty, at any time during the term. Security is provided by the freehold land held by the Charity.

## Analysis of changes in net funds/debt (Charity and Group)

	1 April 2020 £'000	Cash flows £'000	Other non- cash changes £'000	31 March 2021 £'000
<b>Cash and cash equivalents</b>				
Cash	1,804	4,495	-	6,299
	<u>1,804</u>	<u>4,495</u>	<u>-</u>	<u>6,299</u>
<b>Borrowings</b>				
Debt due within one year	-	67	-	67
Debt due after one year	-	1,933	-	1,933
	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
<b>Total</b>	<b><u>1,804</u></b>	<b><u>2,495</u></b>	<b><u>-</u></b>	<b><u>4,299</u></b>

## Movement on deferred income during the year:

	Group 2021 £'000	Charity 2021 £'000	Group 2020 £'000	Charity 2020 £'000
Balance at the beginning of the year	81	81	99	99
Amount released to income in the year	(49)	(49)	(67)	(67)
Amount deferred in the year	296	296	49	49
Balance at the end of the year	<u>328</u>	<u>328</u>	<u>81</u>	<u>81</u>

Income is deferred where income has been received in advance of the service being provided or delivered.

## 19. Analysis of net assets (current year)

	General Funds £'000	Designated Funds £'000	Restricted Funds £'000	Total £'000
Tangible assets	-	8,078	-	8,078
Net current assets	7,118	339	421	7,878
Creditors > 1 year	(2,000)	-	-	(2,000)
	<u>5,118</u>	<u>8,417</u>	<u>421</u>	<u>13,956</u>

## 20. Analysis of net assets (prior year)

	General Funds £'000	Designated Funds £'000	Restricted Funds £'000	Total £'000
Tangible assets	-	8,417	-	8,417
Net current assets	3,012	-	576	3,588
	<u>3,012</u>	<u>8,417</u>	<u>576</u>	<u>12,005</u>

## 21. Financial commitments

At 31 March, annual commitments under non-cancellable leases were as follows:

Group and charity	2021		2020	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
<b>Expiry date:</b>				
Within one year	576	43	580	32
1-5 years	1,531	96	1,550	37
Over five years	712	10	731	18
	<b>2,819</b>	<b>149</b>	<b>2,861</b>	<b>87</b>

One lease is in the name of Pasque Charity (Trading) Limited but is in use by the charity and the charity bears the commitment.

## 22. Related parties transactions

Keech Hospice Care (Trading) Ltd, a wholly owned subsidiary of the charity, was charged by the charity, during the period, a management fee of £6,457 (2020: £9,575) and a fee for the use of the charity's logo, name and data of £1,788 (2020: £3,080). The company has made a charitable donation of its taxable profits of £814 (2020: £38,806) to the charity. At 31 March 2021, the company owed £11,950 (2020: £6,111) to the charity.

Pasque Charity (Trading) Limited, a related company undertaking collects sums on behalf of the charity relating to the lottery. At 31 March 2021, the company owed £44,731 (2020: £35,505) to the charity.

There are no additional related party transactions to disclose for 2021 (2020: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

## 23. Consolidated statement of funds (current year)

	Funds Brought Forward	Income	Expenditure	Transfers Between Funds	Funds Carried Forward
	£'000	£'000	£'000	£'000	£'000
<b>Unrestricted funds</b>					
General fund	3,012	8,756	(6,223)	(427)	<b>5,118</b>
Designated funds					
- Building Improvements and Infrastructure Fund	-	-	-	339	<b>339</b>
- Tangible fixed assets	738	-	(250)	111	<b>599</b>
- Building assets fund	7,679	-	(217)	17	<b>7,479</b>
<b>Total designated funds</b>	<b>8,417</b>	<b>-</b>	<b>(467)</b>	<b>467</b>	<b>8,417</b>
<b>Total unrestricted funds</b>	<b>11,429</b>	<b>8,756</b>	<b>(6,690)</b>	<b>40</b>	<b>13,535</b>
<b>Restricted funds</b>					
Adult revenue fund	-	246	(246)	-	-
Hospice at Home	-	54	(27)	-	<b>27</b>
Adult social work fund	1	-	-	-	<b>1</b>
Adult Living Appeal	-	101	(101)	-	-
Adult activity funds	4	97	(81)	(3)	<b>17</b>
Children's revenue fund	-	871	(871)	-	-
Children's complementary therapy	10	5	-	-	<b>15</b>
Children's development board	150	6	(94)	-	<b>62</b>
Children's investments	1	-	-	-	<b>1</b>
Children's activity funds	126	47	(80)	(12)	<b>81</b>
Children's courtyard capital project	21	25	-	-	<b>46</b>
Pension contribution	-	49	(49)	-	-
Other activity funds	18	30	(39)	(9)	-
Children's capital projects	33	-	-	-	<b>33</b>
Capital projects - Both	22	-	(1)	(16)	<b>5</b>
Hydrotherapy Pool Appeal	190	-	(57)	-	<b>133</b>
NHS England Grant	-	2,343	(2,343)	-	-
<b>Total restricted funds</b>	<b>576</b>	<b>3,874</b>	<b>(3,989)</b>	<b>(40)</b>	<b>421</b>
<b>Total funds</b>	<b>12,005</b>	<b>12,630</b>	<b>(10,679)</b>	<b>-</b>	<b>13,956</b>

### Designated funds

Building Improvements and Infrastructure Fund	Fund set aside for building improvements and maintenance delayed due to the COVID-19 pandemic and for additional IT equipment and infrastructure to support remote and flexible working.
Tangible fixed assets fund	Net book value of tangible fixed assets (other than freehold property) held by the charity.
Building assets fund	Net book value of freehold property and work in progress on freehold property held by the charity.

## Restricted funds

Adult revenue fund	Income and expenditure which specifically relates to the provision of adult services.
Hospice at Home	Income received for provision of the Hospice at Home service.
Adult social work fund	Income received to provide an adult social worker service.
Adult Living Appeal	Income received to provide palliative care for adults.
Adult activity funds	Small miscellaneous restricted funds relating to adult services.
Children's revenue fund	Income and expenditure which specifically relates to the provision of children's services.
Children's complementary therapy	Income received to provide a complementary therapy service for children.
Children's development board	Income received to expand children's services in Hertfordshire.
Children's investments	The market value of investments given for the provision of children's services.
Children's activity funds	Small miscellaneous restricted funds relating to children's services.
Children's courtyard capital project	Funds received to develop a courtyard garden for children on the children's in-patient unit and those using day support.
Pension contribution	Funds received from the NHS to offset increased employer pension costs.
Other activity funds	Other small miscellaneous restricted funds.
Children's capital projects	Grants received for capital projects within the children's in-patient unit.
Capital Projects - Both	Funds received to carry out various capital projects across the hospice, including development of the Wellbeing Centre.
Hydrotherapy Pool Appeal	Funds received to improve the impact of the hydrotherapy pool by developing new specialist support and facilities.
NHS England Grant	NHSE awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the COVID-19 situation and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose.

## 24. Consolidated statement of funds (prior year)

	Funds Brought Forward £'000	Income £'000	Expenditure £'000	Investment Gains £'000	Transfers Between Funds £'000	Funds Carried Forward £'000
<b>Unrestricted funds</b>						
General fund	2,845	8,167	(7,656)	-	(344)	3,012
Designated funds						
- Building improvements/dilapidations	-	-	-	-	-	-
- Tangible fixed assets	629	-	(257)	-	365	737
- Building assets fund	7,512	-	(211)	-	379	7,680
<b>Total designated funds</b>	<b>8,141</b>	<b>-</b>	<b>(468)</b>	<b>-</b>	<b>744</b>	<b>8,417</b>
<b>Total unrestricted funds</b>	<b>10,986</b>	<b>8,167</b>	<b>(8,124)</b>	<b>-</b>	<b>400</b>	<b>11,429</b>
<b>Restricted funds</b>						
Adult revenue fund	-	135	(135)	-	-	-
Hospice at Home	-	26	(26)	-	-	-
Adult social work fund	1	-	-	-	-	1
Adult Living Appeal	-	127	(127)	-	-	-
Adult activity funds	34	68	(55)	-	(43)	4
Children's revenue fund	-	1,900	(1,900)	-	-	-
Children's complementary therapy	6	5	(1)	-	-	10
Children's development board	134	98	(82)	-	-	150
Children's minibus provision	-	-	-	-	-	-
Children's investments	1	-	-	-	-	1
Children's activity funds	117	129	(107)	-	(13)	126
Children's courtyard capital project	24	-	(1)	-	(2)	21
Pension contribution	-	48	(48)	-	-	-
Children's nursing salaries	-	-	-	-	-	-
Other activity funds	22	7	(11)	-	-	18
Children's capital projects	27	6	-	-	-	33
Adult capital projects	35	-	-	-	(35)	-
Parking capital project	95	125	(1)	-	(219)	-
Capital projects - Both	-	113	(3)	-	(88)	22
Hydrotherapy Pool Appeal	285	19	(114)	-	-	190
<b>Total restricted funds</b>	<b>781</b>	<b>2,806</b>	<b>(2,611)</b>	<b>-</b>	<b>(400)</b>	<b>576</b>
<b>Total funds</b>	<b>11,767</b>	<b>10,973</b>	<b>(10,735)</b>	<b>-</b>	<b>-</b>	<b>12,005</b>

## 25. Analysis of material transfers between funds

All transfers in the year relate to capital expenditure on fixed assets represented by a transfer from restricted or general funds to the relevant designated fund containing the assets.