

# Report and Financial Statements

Year ended 31 March 2022



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"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 21 September 2022

### Trustees

Clive Medlam (Chair)  
Patricia Norman (Vice Chair)  
Frank Dalton (Treasurer)  
Michael Hubbocks (resigned 23 September 2021)  
Maria Collins  
Bronwen Philpott  
Karen Proctor  
Peter Cannon  
Miriam Heyes  
Jeffrey Lustig  
Michael McMahon  
Simon Ogden  
Chandra Shekar

### Audit and Risk Committee

Trevor Nash (Chair and Independent Member)  
Gill Holt (Vice Chair and Independent Member)  
Maria Collins  
Karen Proctor  
Bronwen Philpott  
Frank Dalton  
Simon Ogden  
Chandra Shekar  
Geoff Lambert (Independent Member)

### Trading companies

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

### Senior Leadership Team

#### Executive directors

Chief Executive	Liz Searle
Deputy Chief Executive & Clinical Director	Elaine Tolliday
Executive Director of Finance and Corporate Services	Rob Davies
Income Director (left 31 August 2021)	Alison Shotter
Executive Director of Engagement, Innovation and Digital (appointed 1 September 2022)	Andrea Daniels

#### Associate Directors

Associate Director of Supporter Engagement	Nikki Samsa
Associate Director of Commercial & Trading	Angela Burgess
Associate Director of Patient Services – Children	Sonya O’Leary
Associate Director of Patient Services – Adults	Juliette Benson
Associate Director of People	Matt Ambler

The 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  
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274 Witan Gate West  
Witan Studios  
Milton Keynes  
Buckinghamshire  
MK9 1EJ

Pinney Talfourd LLP  
78 Ongar Rd  
Brentwood  
CM15 9BB

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St Albans  
Hertfordshire  
AL1 3UU

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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 2022. 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 (second edition 2019).

## Directors' Report

The trustees present their report for the year ended 31 March 2022, 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 wellbeing 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. Last year we launched our Compassionate Communities programme, aiming to improve conversations on death and dying and grief in our community.

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, 2021/22 was again a challenging year, significantly affected by the pandemic with restrictions limiting fundraising activity. However, whilst the public remain cautious about returning to events our retail operation has seen a strong and encouraging bounce back. We have still received wonderful support from our community but inevitably we were unable to generate the same levels of income across many of our usual income streams.

The care and capacity that we provided to the health care system was recognised by NHS England who saw hospices as an essential part of the response to COVID-19 and again additional funding was made available to ensure capacity was maintained across the hospice sector.

It cost £6.2m to provide our services in 2021/22 and, as a result of this additional funding, around 50% 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 2022 and 2022/23 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 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.

However, the trustees recognise that the Charity does hold reserves in line with its reserves policy target and has set aside funds for certain designated purposes. It is therefore important to ensure that the charity's funds are utilised to achieve the best return, within an acceptable level of risk, to generate additional income and mitigate the effects of rising inflation. A revised investment policy has been approved by the trustees that provides the opportunity to seek higher investment returns.

### **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 also required to complete ongoing mandatory training and we also provide additional training, with topics in 2022 including Equity, Diversity and Inclusion and Appetite to Risk.

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 two years 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.

We have seen our charity shops close and open several times, fundraising events cancelled or restricted together with the general economic uncertainty that the pandemic created. We are now faced with high inflation which not only affects the charity and its cost base but also the impact on our staff, volunteers, supporters and beneficiaries with cost of living pressures.

Throughout the past two years we have closely monitored the financial position of the charity and made significant cost and efficiency savings. Detailed cash-flow and out-turn projections have continued throughout 2021/22 and form an important part of our financial governance.

We have also continued to receive fantastic support from our local community, trusts and supporters. In 2020/21 we received over £1.3m in legacy income, at the time, our highest ever legacy income year. However, legacy income for 2021/22 has significantly surpassed this figure at just under £4.3m, predominantly made up of one legacy of £3.2m. Whilst we have invested in legacy awareness, the quantum and timing of such bequests is unpredictable and, following two years of high legacy income, we may see legacy income reduce to lower levels in future years.

We are obviously delighted, humbled and incredibly privileged to receive this generous gift and it has given the charity additional financial resilience and sustainability. Also, having just celebrated our 30<sup>th</sup> year of supporting our community, it has also provided us with a wonderful opportunity. We know the demand for our services will only increase and it is our commitment to do our utmost to meet this need, develop our services and reach all parts of our community.

We received government funding from NHS England who awarded funding to allow the hospice to make available bed capacity and community support from December 2021 to March 2022 to provide support to people with complex needs in the context of COVID-19.

We accessed government support through the Coronavirus Job Retention Scheme (albeit only £19k was claimed during 2021/22) and retail restart grants that were available to our shops at the end of the third national lockdown. We also had in place business interruption insurance for our shops and settlement for the first lockdown (23 March to 15 June) was received during 2021/22 of £559k.

We successfully applied for a £2m Coronavirus Business Interruption Loan during 2020/21 and built detailed budgets and cashflow projections to demonstrate the ability to repay the loan and operate as a going concern. I am pleased to advise that this loan was repaid in full within 12 months and therefore no interest was incurred.

In addition to annual budgeting and monitoring, a rolling three-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 monthly financial dashboard is circulated to Trustees detailing reserves, cash-flow, out-turn, income and expenditure which provides up-to-date information on the financial status of the organisation and a series of contingency plans are also regularly reviewed and updated 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

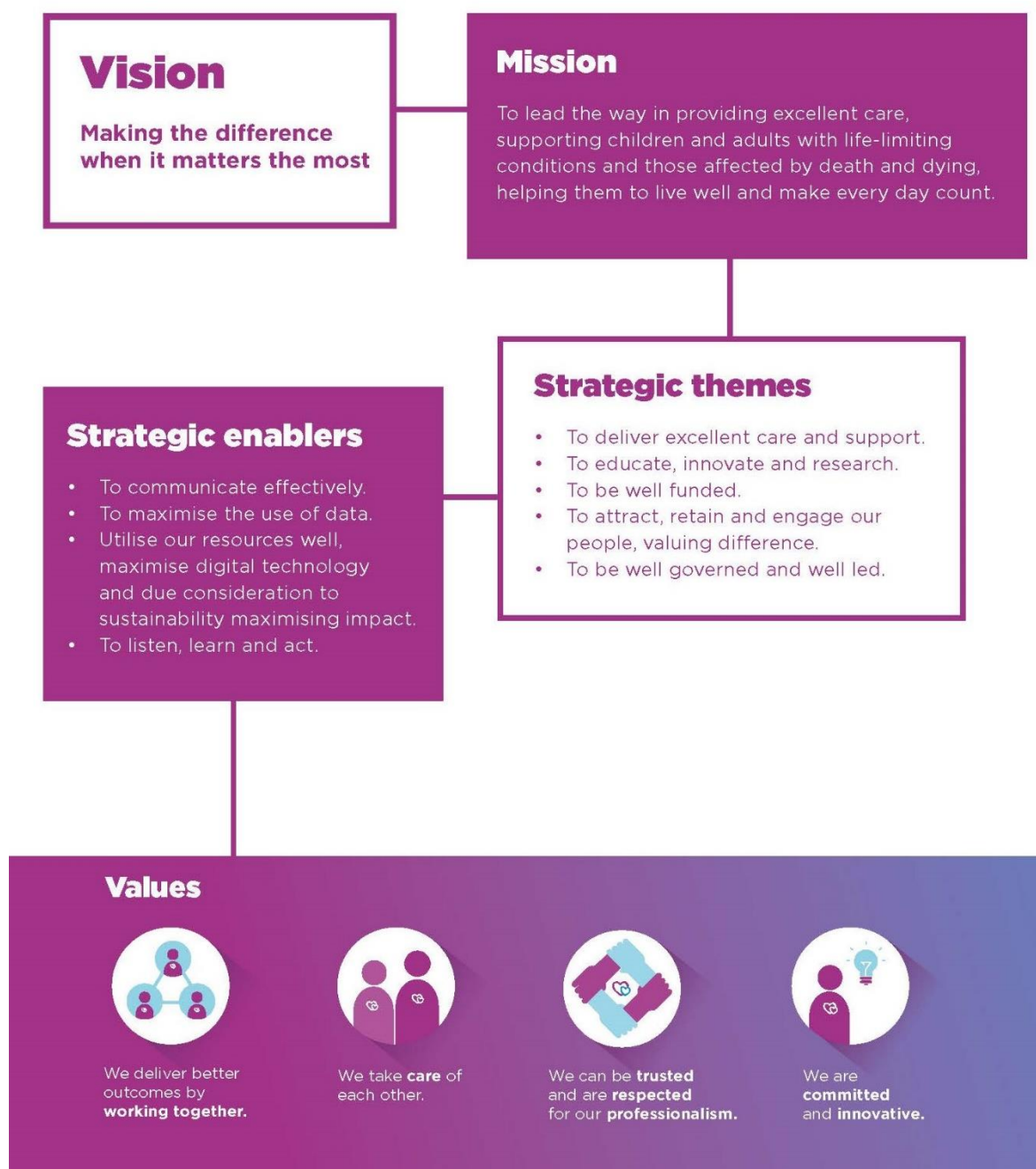
Haysmacintyre LLP was appointed as the charitable company's auditor during the year and has expressed its willingness to continue as auditors for the next financial year.

## Strategic Report

The trustees present their strategic report for the year ended 31 March 2022, 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. In 2022/23 the charity will be rewriting its strategy "Palliative Care in a post pandemic world".



## 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

From 2017 we developed a new five-year strategy 2018-2023, to take the organisation into the future. Through developing this strategy, we identified five strategic themes and four strategic enablers. We are currently re-writing our strategy and there will be an enhanced focus on the green agenda, data and digital and equity, diversity, and inclusion.

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. We have entered again for 2022 and we achieved a One Star 'Very Good company to work for' Best Companies accreditation and were ranked 8th nationally in the Charity's Best Organisations To Work For league table for Quarter 2.

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.

During this year the NHS architecture has significantly changed with the shadow board in place for the new Integrated Care System. We have made great inroads to working in this new structure with extensive representation at many of the meetings. We will work hard on continuing this collaboration.

This past year is reviewed against the charity's five main strategic aims for 2021/2022 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 2021/22 were 2,589 people, incorporating patients (those with a diagnosis of a life limiting condition), their relatives and carers.

##### **Adult services**

A total of 1,520 adult patients were cared for in 2021/22, 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 1,104 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.

The **adult in-patient unit** cared for 139 patients from Luton and south Bedfordshire, providing them with 1,354 bed nights.

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

A total of 327 children were cared for in 2021/22, a total that incorporates those who access the in-patient unit, community services, play services, therapies, social work 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 children's **community team** provided 310 children and their families with 1,669 community visits and 950 telephone calls.

The children's **play and activity** service supported 158 children with programmes of care that included specialist and sensory play, symptom assessment and management, interaction and stimulation.

Throughout 2021/22, the children's **in-patient unit** supported 71 children and their families by providing 289 bed nights. Admissions were for short breaks, symptom control, end-of-life care, perinatal care, hospital transition and use of the bereavement suite.

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

### **Supportive care services**

Our Social Work team consists of two specialist palliative care social workers and three assistants. As a team they cared for 274 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 2021/22 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.

### **Compassionate communities programme**

Through a series of workshops delivered to the public, we aim to normalise conversations about death, dying and grief. It is hoped, that by supporting members of the public to talk with their loved ones about their preferences and wishes, more people can be cared for in the place of their choosing.

In addition, we work closely with the library service to develop a death positive library opportunity, with borough councils, large employers within the town, and sports and leisure facilities to promote awareness and conversations.

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

Keech Hospice Care is committed to delivering education, training and support to its workforce as well as providing education externally to health and social care professionals within the community. Our team deliver a wide range of educational sessions and events at foundation, intermediate and advanced levels on subjects such as communication, recognising dying, bereavement, spirituality in palliative care and symptom control. Two rolling programmes (Essential and Principles of End of Life Care programmes) continue to be delivered with good attendance in all sessions from delegates with varied expertise.

During 2021/22 we delivered 243 training sessions reaching 2147 attendees.

For internal staff, leadership development programmes, mandatory training programmes and external education were delivered to support the teams to be highly skilled in all they do. In addition to our in-house Leadership Development Programme, accredited by the ILM (Institute of Leadership and Management) we also offer managers the opportunity to attend an external collaborative leadership development programme with other local hospices.

In addition, we offer training opportunities in-house for both staff and volunteers, coupled with additional training requirements in line with annual appraisals.

In October we held our 30th anniversary conference virtually for both internal colleagues and external professionals. The conference had three speakers with a focus on research. The conference was a success with 63 delegates in attendance.

The last year also saw the development of new core palliative care competencies for care staff. The competencies are in the process of being finalised.

We have joined again with the University of Bedfordshire, and the University of Oxford, on a NIHR (National Institute for Health Research) funded one year project called the Bedfordshire, Hertfordshire, and Milton Keynes Palliative & End of Life Care Research Partnership. The project has three distinct workstreams focusing on diverse multi-ethnic and multi-faith communities:

1. Service mapping review of palliative and end of life care services across Bedfordshire, Hertfordshire, and Milton Keynes,
2. Development of a research partnership network,
3. Development of a Public and Patient involvement group.

We support care staff throughout the year with a mix of reflective sessions such as clinical supervision and clinical debriefs. These sessions are offered regularly across the Directorate to give staff safe spaces in which to reflect on their work. In Children's services our clinical debriefs are also extended to include the wider multidisciplinary team across our geographical area, with good representation from a range of professionals.

Along with clinical supervision, other support available to staff have been in the form of Schwartz rounds (a forum for staff to discuss emotional and social aspects of working in health care), mindfulness sessions and a trained Mental Health First Aider who delivers Wellbeing sessions to all staff.

### **(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 a challenging time and used it to further the achievement of our objectives.

Due to the continuing impact of the COVID-19 pandemic, 2021/22 was a reactive year adapting to the easing of restrictions, with income affected 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 2021/22 was £15,878k (2020/21: £12,629k).

A number of areas of our charity's income in 2021/22 were still severely impacted by the pandemic, including income from our shops which was around £1m lower than pre-pandemic levels. However, we did receive some additional government support through retail restart grants at the beginning of 2021/22.

Income from charitable activities, including statutory income, decreased to £3,812k (2020/21: £5,879k). Whilst we received additional support from NHS England and our local Clinical Commissioning Groups to support the response against COVID-19 this was at a lower level than 2020/21.

Total fundraised income from donations and legacies increased significantly compared with the previous year £6,136k (2020/21: £3,640k). Income from legacies was £4,257k in 2021/22, mainly due to one significant residuary legacy, but this area of income can change significantly from year to year (£1,325k in 2020/21, £498k in 2019/20). Gifts in Wills continue to provide a vital area of funding.

Fundraising activity in 2021/22 benefitted particularly from support from one-off events such as our Big Trunk Trail (an art trail of unique painted elephant sculptures), and in response to appeals for support from our local community. Much of our activity with community groups and companies was reduced, and our lottery fundraising numbers did not grow at the same rate as they had in previous years. Many of our events were changed to hybrid activity, virtual and in-person, which adversely affected sponsorship income. We continued to increase the use of digital communications bring in new digital fundraising activities, including the launch of our first fundraising app as part of the Big Trunk Trail.

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 continuing turbulent 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 surrounding area, showing the impact of our day-to-day work providing hospice care to our community.

Retail reopened after the third lockdown mid-April 2021 with substantial COVID-19 health and safety measures still in place. Retail income, despite this, was very promising on reopening and continued throughout the year achieving £4,332k before costs. COVID-19 retail restart and furlough grants (£173k), and a business interruption insurance claim (£559k) relating to 2020/21 for our retail shops are included in other operating income.

Despite all the challenges affecting our retail activity during 2021/22, recovery from the lockdowns throughout the pandemic was stronger as a result of our staff and volunteers who continued to demonstrate our charity's values. We are also thankful to our customers who continued to donate and shop with us and we hope that we have continued to be an integral part of our local community, connecting with our customers through a time when social interaction had been reduced.

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. We also are thankful for the support, commitment and dedication of 1,420 volunteers working in 144 different roles across care, retail, fundraising and support functions.

The charity continues to be honoured to have achieved 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. To celebrate this achievement two volunteers were invited to a Buckingham Palace Royal garden party.

The pandemic has continued to affect 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 fully reopened following periods of closure and is back to performing at pre pandemic levels. The majority of our support and fundraising staff moved to working from home during the pandemic and are now adopting a hybrid working approach, using learnings and systems from the pandemic to work some days from home and others from the office.

The majority of our volunteers have now returned to us following the pandemic although there were some that reflected during this time and chose not to do so. Development of a volunteering strategy to ensure we have the right volunteers in the right place at the right time to support our strategic objectives has begun.

Wellbeing of our staff and volunteers continues to be of the highest priority. Our Mental Health First Aider has provided a lot of support and resources to staff and has led on many initiatives during Stress Awareness Month and Mental Health week, alongside specific promotions of help and support during Mens Health awareness month and Menopause awareness week. We have also reintroduced Mindfulness sessions available to staff and volunteers and promotion continues of our Employee Assistance Programme which is available for advice and support.

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. We have conducted a thorough review of our pay structures and movement within pay scales and ensured these are now benchmarked with the NHS and other relevant organisations. 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 continues to be a priority in all areas. 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.

An extensive review of our pay structure and a full benchmarking exercise has been conducted by an external pay consultant and all staff are either now on the new pay scale or in the process of moving across onto it. Progression for all staff on the new pay scale is linked to a competency-based assessment. The new pay scale resulted in removal of the lowest pay banding in our continued commitment to offer fair pay.

Doctors are paid in line with NHS speciality doctor scales.

Senior management have also been moved onto the new pay scales 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. Senior management pay progression 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.

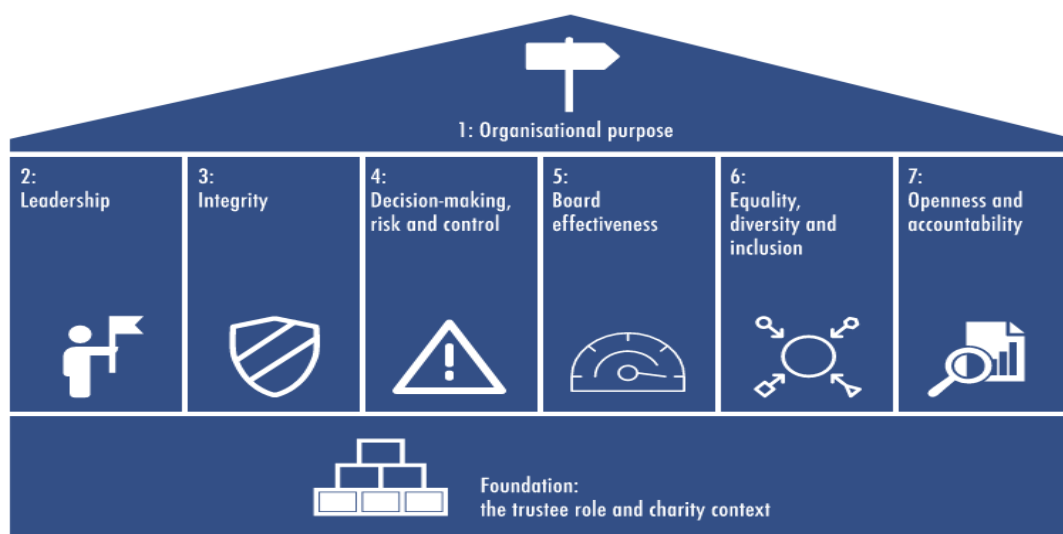
All grades may be eligible for an inflationary annual pay award, if this is affordable, and will be based upon continued benchmarking.

**(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 an annual skills audit and a Board effectiveness audit. We have recruited some new trustees and independent members of our Audit and Risk Committee. All trustees have had appraisals.

We have also restructured our leadership team creating some new Associate Director Roles and a refreshed Strategy and Governance Committee.

We continue to monitor ourselves against the Charity Governance Code ([www.charitygovernancecode.org/en/front-page](http://www.charitygovernancecode.org/en/front-page)):



In 2021 the Board conducted a review of governance against the new Charity Governance Code. The results of this exercise remain very positive but enabled an updated action plan to be compiled to ensure we continue to improve, and we reviewed our progress. We have considered the refreshed Code at the end of 2021. Like many Boards we continue to prioritise recruiting Trustees from under represented groups.

The charity participated in *The Sunday Times* 100 Best Not-for-Profit Organisations to work for and reached an impressive 18<sup>th</sup> place. We have entered again for 2022 and we achieved a One Star 'Very Good company to work for' Best Companies accreditation and were ranked 8<sup>th</sup> nationally in the Charity's Best Organisations To Work For league table for Quarter 2.

### 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 Operational Performance and Assurance 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 2022 are set out in the financial statements that follow this Trustees' Report.

### Expenditure

Excluding retail spend, expenditure was £6,942,000 (2021: £7,097,000) of which £5,444,000 (78%) was spent on hospice care services (2021: £5,593,000 / 79%). 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 time when they were most in demand.

Overall expenditure was 0.8% less than that budgeted for the year due to careful control and monitoring of costs throughout the year.

The cost of activities for raising funds remained constant and our trading expenditure increased by 12% due to our shops being open throughout the year whereas they were closed for large parts of 2020/21.

### 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.

The NHSE awarded funding to allow the hospice to make available bed capacity and community support from December 2021 to March 2022 to provide support to people with complex needs in the context of the COVID-19 situation. In total £920,000 was received during 21/22 (20/21: £2,344,000).

Group consolidated income for the year totalled £15,878,000 (2021: £12,629,000), an increase of 25%. This includes £19,000 from the Coronavirus Job Retention Scheme (20/21 £897,000), £154,000 of Retail, Hospitality and Leisure Grants (20/21 £444,000) and £559,000 of insurance claim proceeds (20/21 £100,000), all of which are included in Other Operating Income.

Donations and legacies totalled £6,136,000 (2021: £3,640,000) including legacy income of £4,258,000 (2021: £1,325,000). Retail income recovered significantly totalling £4,323,000 (2021: 840,000).

### **Funds and reserve transfers**

The Consolidated Statement of Financial Activities on page 31 shows an increase in funds (surplus) of £4,915,000.

Unrestricted and undesignated funds have increased by £1,006,000 to £6,124,000 which is slightly above the target set in the Reserves Policy (see below).

We have transferred £4,500,000 to a number of new designated funds which are funds set aside by the Trustees for specific reasons, projects or initiatives as detailed in Note 24.

### **Balance Sheet**

Total net assets at 31 March 2022 are £18,871,000 which includes group cash balances of £7,831,000. The carrying value of our fixed assets has reduced by £194,000 which broadly represents the depreciation of our hospice building. Investment in capital equipment has remained in line with budget and maintained fixed asset value.

Further details of the funds analysis can be found in notes 20, 24 and 25 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 undesignated reserves of between six and nine months of budgeted total operating costs less the budgeted direct costs of fundraising and trading.

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. However, it is very difficult, highlighted by the effects of the Covid-19 pandemic, to predict with certainty the Charity's income. By setting a range of six to nine months we are building in a tolerance that allows the charity time to manage short-term fluctuations in income without the need to reduce costs and services. The charity can then review its longer-term financial strategy and adjust income and expenditure plans, as required, to ensure the requirements of the reserves policy continue to be met.

For the year 2022/23, the policy target range is between £3.731m and £5.597m. 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 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 2022, the unrestricted undesignated reserves increased to £6.124m, representing 9.7 months of 2022/23 budgeted operating costs less the budgeted direct costs of fundraising and trading. We recognise this is above the reserves target and is as a result of the additional funding from NHS England in the latter part of 2021/22 which was not budgeted. A deficit budget has been set for 2022/23 and we expect our unrestricted undesignated reserves to be within the reserves target range at the end of 2022/23.

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 current level of reserves and the designation of funds 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 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.

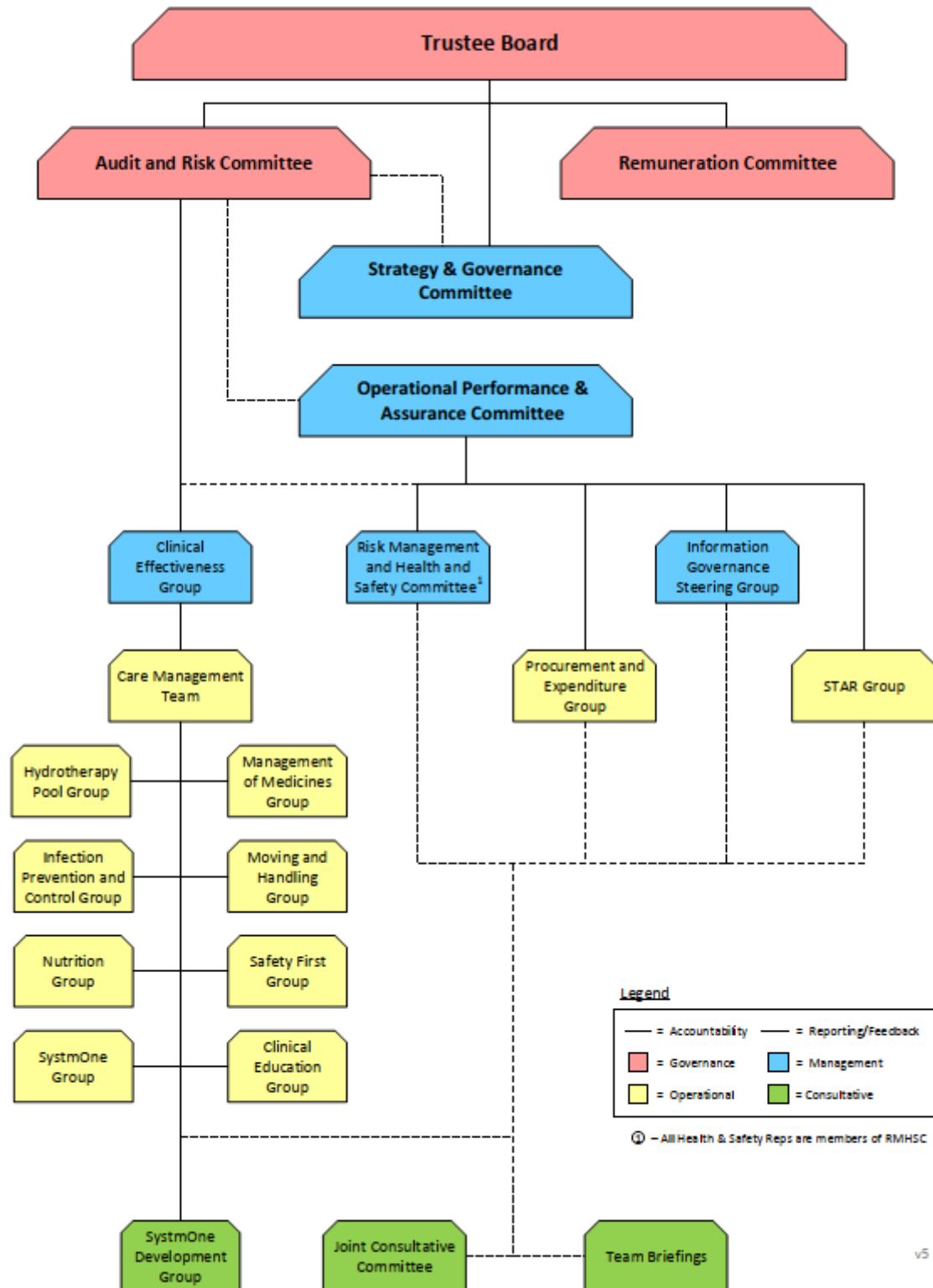
### Principal risks and uncertainties

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.

We manage risk through our integrated governance structure as set out below which details the reporting lines and accountability of our various committees and groups:

## Keech Hospice Care Integrated Governance Structure



v5

## 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 the 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 also follow the Charity Commission's guidance, Charity fundraising: a guide to trustee duties (CC20).

We received three 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 basic bereavement support and safeguarding, and our culture promotes the key principles and behaviours of the Code of Practice (Legal, Open, Honest and Respectful).

## 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. We have a new sustainability policy to ensure we comply with environmental legislation and deliver and actively promote good sustainable development practices across all hospice activities.

## Future activities

The significant work for the future is the re-write of our strategy. The trustees and senior leadership team are ambitious for the future of Keech Hospice Care, post the pandemic. The chief executive of the charity has again been voted 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 and co-production.

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 remain a trustworthy organisation for all of our stakeholders who will be the cornerstone on which we build.

Whilst we find ourselves in a strong financial position we still face challenges with uncertainty over some areas of our income following the pandemic, rising costs and inflation 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, bringing public health to the fore
- 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 Integrated Care Board, 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 and pioneering 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 continue to be in economic uncertain times following Brexit, the wide-reaching impact of the pandemic, the Ukraine Russia conflict and rising inflation. We continue to control our costs tightly, maximise our income and look for new opportunities. Our focus will be on how we can invest for our future.

Going forward 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 21 September 2022, 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 2022 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's and of the parent charitable company's affairs as at 31 March 2022 and of the group's 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'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 the 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 and 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the 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 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, 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 Companies Act 2006 and the Charities Act 2011, Charities Statement of Recommended Practice (second edition 2019), and consider other factors such as income tax, payroll tax and sales tax.

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 care quality compliance, gambling commission and compliance with employment law. Audit procedures performed by the engagement team included:

- 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; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

A handwritten signature in black ink, appearing to read 'Siobhan', with a long horizontal flourish extending to the right.

Siobhan Holmes (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP, Statutory Auditor  
Date: 4 October 2022

10 Queen Street Place  
London  
EC4R 1AG

**Consolidated Statement of Financial Activities**  
(including Income & Expenditure Account)  
for the year ended 31 March 2022

	Notes	2022			2021		
		Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
<b>Income from:</b>							
Donations and legacies	4	5,079	1,057	<b>6,136</b>	3,140	500	<b>3,640</b>
Charitable activities	8						
Adults Service		1,237	782	<b>2,019</b>	1,511	1,280	<b>2,791</b>
Children's Services		573	719	<b>1,292</b>	963	1,110	<b>2,073</b>
Supportive care		68	189	<b>257</b>	179	607	<b>786</b>
Educate and communicate		177	67	<b>244</b>	180	67	<b>247</b>
Total charitable activities		2,055	1,757	<b>3,812</b>	2,833	3,064	<b>5,897</b>
Other trading income							
Trading income	7	90	4	<b>94</b>	40	-	<b>40</b>
Charitable trading income		168	-	<b>168</b>	124	-	<b>124</b>
Lottery income		512	98	<b>610</b>	547	98	<b>645</b>
Retail income		3,380	943	<b>4,323</b>	629	211	<b>840</b>
		4,150	1,045	<b>5,195</b>	1,340	309	<b>1,649</b>
Investment income		1	-	<b>1</b>	2	-	<b>2</b>
Other Operating Income	6	735	-	<b>735</b>	1,441	-	<b>1,441</b>
<b>Total income</b>		<b>12,020</b>	<b>3,859</b>	<b>15,878</b>	<b>8,756</b>	<b>3,873</b>	<b>12,629</b>
<b>Expenditure on:</b>							
Raising funds		664	110	<b>774</b>	707	71	<b>778</b>
Charitable activities							
Adults Service		1,681	967	<b>2,648</b>	1,250	1,556	<b>2,806</b>
Children's Services		782	1,444	<b>2,226</b>	899	1,422	<b>2,321</b>
Supportive care		442	296	<b>738</b>	157	606	<b>763</b>
Educate and communicate		477	79	<b>556</b>	362	67	<b>429</b>
Total charitable activities		3,382	2,786	<b>6,168</b>	2,668	3,651	<b>6,319</b>
Trading expenditure		3,055	967	<b>4,022</b>	3,341	241	<b>3,582</b>
<b>Total expenditure</b>	9	<b>7,101</b>	<b>3,863</b>	<b>10,964</b>	<b>6,716</b>	<b>3,963</b>	<b>10,679</b>
<b>Net income (expenditure) for the year</b>		4,919	(4)	<b>4,915</b>	2,040	(90)	<b>1,950</b>
Transfers between funds	24	53	(53)	-	66	(66)	-
<b>Net movement in funds</b>		4,972	(57)	<b>4,915</b>	2,106	(156)	1,950
<b>Reconciliation of funds</b>							
Total funds brought forward	24	13,535	421	<b>13,956</b>	11,429	577	<b>12,006</b>
<b>Total funds carried forward</b>	24	<b>18,507</b>	<b>364</b>	<b>18,871</b>	<b>13,535</b>	<b>421</b>	<b>13,956</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 £4,915,000 (2021: £1,950,000 surplus).

The accompanying notes on pages 34-53 form an integral part of this consolidated statement of financial activities.

**Balance Sheet**  
**as at 31 March 2022**  
 Company number: 2904446

	Notes	Group 2022 £'000	Charity 2022 £'000	Group 2021 £'000	Charity 2021 £'000
<b>FIXED ASSETS</b>					
Tangible assets	15	7,883	7,883	8,078	8,078
		<b>7,883</b>	<b>7,883</b>	8,078	8,078
<b>CURRENT ASSETS</b>					
Stocks	16	13	-	21	-
Debtors	17	4,239	4,309	2,518	2,574
Cash at bank and in hand		7,831	7,769	6,299	6,253
Short-term deposits		-	-	-	-
		<b>12,083</b>	<b>12,078</b>	8,838	8,827
CREDITORS: amounts falling due within one year	18	(1,095)	(1,090)	(960)	(949)
Net current assets		<b>10,988</b>	<b>10,988</b>	7,878	7,878
CREDITORS: amounts falling due after more than one year	18	-	-	(2,000)	(2,000)
<b>Net assets</b>	20	<b>18,871</b>	<b>18,871</b>	<b>13,956</b>	<b>13,956</b>
<b>FUNDS</b>					
<b>Unrestricted funds</b>					
General fund		6,124	6,124	5,118	5,118
Designated funds		12,383	12,383	8,417	8,417
Total unrestricted funds		18,507	18,507	13,535	13,535
Restricted funds		364	364	421	421
<b>TOTAL FUNDS</b>	24	<b>18,871</b>	<b>18,871</b>	<b>13,956</b>	<b>13,956</b>

The parent charity's gross income for the year was £15,838,000 (2021: £12,598,000) and the net result for the year was £4,873,000 surplus (2021: £1,950,000 surplus)

The financial statements on pages 31-53 were approved by the trustees on 21 September 2022 and signed on their behalf by:



Clive Medlam  
 Chair of Trustees

## Consolidated Statement of Cash Flows for the year ended 31 March 2022

	2022 £'000	2022 £'000	2021 £'000	2021 £'000
<b>Cash flows from operating activities</b>				
Net income (expenditure) for the year		4,915		1,950
Investment income		(1)		(2)
Depreciation charges		479		467
(Profit) loss on sale of fixed assets		-		-
Decrease / (increase) in stock		8		(5)
(Increase) / decrease in debtors		(1,721)		(227)
Increase / (decrease) in creditors		135		437
<b>Net cash provided by (used in) operating activities</b>		<b>3,815</b>		<b>2,620</b>
<b>Cash flows from investing activities</b>				
Payments to acquire tangible fixed assets	(284)		(127)	
Bank interest received	1		2	
	<b>(283)</b>		<b>(125)</b>	
<b>Cashflows from financing activities</b>				
Proceeds from long-term debt		(2,000)		2,000
<b>Increase/(decrease) of cash in the year</b>		<b>1,532</b>		<b>4,495</b>
Cash at 1 April		6,299		1,804
Increase/(decrease) of cash in the year		1,532		4,495
<b>Cash at 31 March</b>		<b>7,831</b>		<b>6,299</b>

To be viewed in conjunction with Note 19

## 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.

#### 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 2022, the number of such guarantees was 12 (2021: 13).

## 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 £200,389 (2021: £11,072) of income that was within this 21-day timeframe so could potentially be asked to be returned. The accounts also include the £50,097 (2021: £2,768) of gift aid that is recoverable on these donations. At the date of signing the accounts, this timeframe had elapsed and £239 (2021: £219) of this income had been returned to donors.

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

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000
Individual donations and gifts	730	311	1,041
Corporate donations	167	71	238
Events	407	24	431
Trusts and grants	99	69	168
Legacies	3,676	582	4,258
<b>Total donations and legacies</b>	<b>5,079</b>	<b>1,057</b>	<b>6,136</b>

Included in donations and legacies are £86,921 (2021: £131,885) of gifts in kind, which includes £17,860 for personal protective equipment.

## (b) Donations and legacies (prior 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>

## 5. Grants received

	<b>2022</b>	2021
	<b>£'000</b>	£'000
Grant contribution funded by NHS England - Children's Hospice Grant	358	348
Grant contribution funded by NHS England - COVID-19 Support	920	2,345
	<b><u>1,278</u></b>	<b><u>2,693</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 2022	Funds 2022	<b>2022</b>	Funds 2021	Funds 2021	2021
	£'000	£'000	<b>£'000</b>	£'000	£'000	£'000
Retail, Hospitality and Leisure Grant Fund	154	-	154	444	-	444
Coronavirus Job Retention Scheme	19	-	19	897	-	897
Insurance Claim Proceeds	559	-	559	100	-	100
Sundry Income	3	-	3	-	-	-
	<u>735</u>	<u>-</u>	<b><u>735</u></b>	<u>1,441</u>	<u>-</u>	<b><u>1,441</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, Chandra Shekar (Trustee) and the Executive Director of Finance.

	Keech Hospice Care Trading 2022 £'000	Pasque Charity (Trading) 2022 £'000	<b>Total 2022 £'000</b>
<b>Turnover</b>			
Sale of bought-in goods	72	-	72
Conference sales	0	-	0
Corporate fundraising agreements	4	-	4
Catering sales	18	-	18
	<u>94</u>	<u>-</u>	<u>94</u>
<b>Cost of sales and administrative expenses</b>			
Unrestricted	<u>(52)</u>	<u>-</u>	<u>(52)</u>
Governance	-	-	-
Amounts gift aided to Keech Hospice Care	<u>(42)</u>	<u>-</u>	<u>(42)</u>
	<u>-</u>	<u>-</u>	<u>-</u>
The aggregate of the assets, liabilities and funds was:			
Assets	22	54	76
Liabilities	<u>(22)</u>	<u>(54)</u>	<u>(76)</u>
<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 £12,257 (2021: £8,245) from the parent charity.

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

	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	-	39
Conference sales	-	-	-
Corporate fundraising agreements	1	-	1
	<u>40</u>	<u>-</u>	<u>40</u>
<b>Cost of sales and administrative expenses</b>			
Unrestricted	<u>(39)</u>	<u>-</u>	<u>(39)</u>
Governance	-	-	-
Amounts gift aided to Keech Hospice Care	<u>(1)</u>	<u>-</u>	<u>(1)</u>
	<u>-</u>	<u>-</u>	<u>-</u>
The aggregate of the assets, liabilities and funds was:			
Assets	25	45	70
Liabilities	<u>(25)</u>	<u>(45)</u>	<u>(70)</u>
<b>Funds</b>	<u>-</u>	<u>-</u>	<u>-</u>

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

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000
Core NHS agreements	806	-	806
Local Authority & NHS agreements for specific care	55	17	72
Specialist palliative care payments for specific purposes	376	34	410
Statutory contributions to pension costs	-	22	22
Grant contribution funded by NHS England - COVID-19 Support	-	576	576
Restricted Donations	-	133	133
<b>Subtotal for the Adults Service</b>	<b>1,237</b>	<b>782</b>	<b>2,019</b>
<b>Subtotal for the Wellbeing Centre</b>	<b>-</b>	<b>-</b>	<b>-</b>
Core NHS agreements	553	-	553
Local Authority & NHS agreements for specific care	1	6	7
Specialist palliative care payments for specific purposes	19	-	19
Statutory contributions to pension costs	-	21	21
Grant contribution funded by NHS England - Children's Hospice Grant	-	358	358
Grant contribution funded by NHS England - COVID-19 Support	-	232	232
Restricted Donations	-	102	102
<b>Subtotal for the Children's Services</b>	<b>573</b>	<b>719</b>	<b>1,292</b>
Core NHS agreements	1	17	18
Local Authority & NHS agreements for specific care	8	-	8
Specialist palliative care payments for specific purposes	59	-	59
Statutory contributions to pension costs	-	3	3
Grant contribution funded by NHS England - COVID-19 Support	-	99	99
Restricted Donations	-	70	70
<b>Subtotal for Supportive Care</b>	<b>68</b>	<b>189</b>	<b>257</b>
Core NHS agreements	1	-	1
Local Authority & NHS agreements for specific care	51	-	51
Specialist palliative care payments for specific purposes	3	-	3
NHS Funding for Education Purposes	122	-	122
Statutory contributions to pension costs	-	3	3
Grant contribution funded by NHS England - COVID-19 Support	-	13	13
Restricted Donations	-	51	51
<b>Subtotal for Educate and Communicate</b>	<b>177</b>	<b>67</b>	<b>244</b>
<b>Total income from charitable activities</b>	<b>2,055</b>	<b>1,756</b>	<b>3,812</b>
Total restricted donations	-	(356)	(356)
<b>Total statutory income</b>	<b>2,055</b>	<b>1,400</b>	<b>3,456</b>

## (b) Income from charitable activities (prior 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>

## 9. (a) Analysis of Expenditure (current year)

	Staff costs £'000	Other Direct costs £'000	Deprec- iation £'000	Support costs £'000	Gover- nance £'000	2022 Total £'000
<b>Cost of generating funds</b>						
Fundraising	489	245	0	34	6	774
Trading	2,079	1,624	88	195	36	4,022
<b>Total cost of generating funds</b>	<b>2,568</b>	<b>1,869</b>	<b>88</b>	<b>229</b>	<b>42</b>	<b>4,796</b>
<b>Cost of charitable activities</b>						
Adult hospice	1,760	388	131	343	26	2,648
Children's hospice	1,451	352	147	254	22	2,226
Supportive Care	611	81	-	39	7	738
Educate and Communicate	428	95	-	28	5	556
<b>Total cost of charitable activities</b>	<b>4,250</b>	<b>916</b>	<b>278</b>	<b>664</b>	<b>60</b>	<b>6,168</b>
Governance costs	46	53	-	3	(102)	(0)
Support costs	289	493	114	(896)	-	-
<b>Total Expenditure</b>	<b>7,153</b>	<b>3,331</b>	<b>480</b>	<b>-</b>	<b>-</b>	<b>10,964</b>
<b>Total Expenditure (prior year)</b>	<b>7,079</b>	<b>3,134</b>	<b>466</b>	<b>-</b>	<b>-</b>	

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

	Allocation basis	2022 £'000
Facilities and services	Time and Headcount	425
Management, HR, Finance, Admin, IT, Marketing and Communications	Headcount	471
<b>Total support costs</b>		<b>896</b>

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

## (b) Analysis of Expenditure (prior 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	1,840	463	130	351	22	2,806
Children's hospice	1,545	350	147	260	19	2,321
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	Headcount	466
<b>Total support costs</b>		<b>895</b>

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

## 10. Analysis of staff costs

	2022 £'000	2021 £'000
Wages and salaries	6,271	6,196
Social security costs	487	461
Employer's contribution to defined contribution pension schemes	395	422
	<b>7,153</b>	<b>7,079</b>

During the year, 2 employees were made redundant with redundancy payments totalling £9,792 being made.

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

	2022 Number	2021 Number
£60,000 - £69,999	1	3
£70,000 - £79,999	1	-
£80,000 - £89,999	-	1
£90,000 - £99,999	1	-
	<b>3</b>	<b>4</b>

One of the employees included in the bandings above £60,000 have retirement benefits accruing under a defined contribution scheme (2021: two members). Payments to defined contribution schemes in the year in respect of those employees included in the bandings above £60,000 totalled £10,349 (2021: £12,611).

The hospice considers that the key management personnel comprises the trustees and the Executive Directors. Total employee benefits of the Executive Directors was £331,858 (2021: £404,173).

## 11. Staff numbers

The average monthly headcount (including bank staff) was 273 (2021: 284) and analysis of the employees by function was:

	2022		2021	
	Actual number	Full-time equivalent	Actual number	Full-time equivalent
Adult Hospice	45	46	44	43
Palliative Care Centre	-	-	11	9
Children's Hospice	44	39	31	31
Children's Community Team	-	-	17	12
Supportive Care	20	15	24	17
Fundraising	18	17	21	19
Trading	96	77	90	72
Facilities and services	13	8	15	9
Management, HR, Finance, Administration and IT	32	29	25	22
Public Relations and Communications	5	4	5	5
	<b>273</b>	<b>235</b>	<b>283</b>	<b>239</b>

The hospice had an average of 1,466 volunteers during the year (2021: 1,420), of which 888 (2021: 870) worked in our retail operations and 578 (2021: 550) 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 £239,000 (2021: £243,000). Contributions outstanding at the year-end totalled £44,000 (2021: £41,000).

Contributions to the National Health Service Pension Scheme for the period were £156,000 (2021: £179,000) and the agreed contribution rate was 14.3%. Contributions outstanding at the year-end totalled £23,000 (2021: £22,000).

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 2021/22 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:

	<b>2022</b>	2021
	<b>£'000</b>	£'000
Auditor's remuneration - Audit Fee (Group)	20	18
Operating lease rentals - land and buildings	748	702
Depreciation	479	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 (2021: None).

Trustees made voluntary donations totalling of £6,435 during the year (2021: £2,358).

### 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 2021	10,826	1,679	421	728	1,255	97	<b>15,006</b>
Additions	-	18	39	71	156	-	<b>284</b>
Disposals	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
<b>At 31 March 2022</b>	<b>10,826</b>	<b>1,697</b>	<b>460</b>	<b>799</b>	<b>1,411</b>	<b>97</b>	<b>15,290</b>
<b>Depreciation</b>							
At 1 April 2021	3,345	1,494	386	699	908	96	<b>6,928</b>
Charge for year	217	69	24	17	151	1	<b>479</b>
Disposals	-	-	-	-	-	-	-
<b>At 31 March 2022</b>	<b>3,562</b>	<b>1,563</b>	<b>410</b>	<b>716</b>	<b>1,059</b>	<b>97</b>	<b>7,407</b>
<b>Net book value</b>							
<b>At 31 March 2022</b>	<b>7,264</b>	<b>134</b>	<b>50</b>	<b>83</b>	<b>352</b>	<b>-</b>	<b>7,883</b>
At 1 April 2021	7,480	185	35	31	346	1	<b>8,078</b>

All of the above assets are used for charitable purposes.

## 16. Stock

	<b>Group 2022 £'000</b>	<b>Charity 2022 £'000</b>	Group 2021 £'000	Charity 2021 £'000
Goods for resale	13	-	21	-

## 17. Debtors

	<b>Group 2022 £'000</b>	<b>Charity 2022 £'000</b>	Group 2021 £'000	Charity 2021 £'000
Trade debtors	163	163	275	274
Amounts owed by related undertaking	-	70	-	57
Other debtors	225	225	153	153
Prepayments and accrued income	3,851	3,851	2,090	2,090
	<b>4,239</b>	<b>4,309</b>	2,518	2,574

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

	<b>Group 2022 £'000</b>	<b>Charity 2022 £'000</b>	Group 2021 £'000	Charity 2021 £'000
Trade creditors	271	271	224	224
Other creditors	52	52	63	55
Accruals and deferred income	772	767	673	670
	<b>1,095</b>	<b>1,090</b>	960	949

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

	<b>Group 2022 £'000</b>	<b>Charity 2022 £'000</b>	Group 2021 £'000	Charity 2021 £'000
Coronavirus Business Interruption Loan				
Due < 1 year	-	-	67	67
Due 1-2 years	-	-	400	400
Due 2-5 years	-	-	1200	1200
Due 5+ years	-	-	333	333
	-	-	<b>2,000</b>	<b>2,000</b>

The Coronavirus Business Interruption loan has been repaid in full during the 21/22 financial year, with no interest repayments made.

### Movement on deferred income during the year:

	<b>Group</b>	<b>Charity</b>	Group	Charity
	<b>2022</b>	<b>2022</b>	2021	2021
	<b>£'000</b>	<b>£'000</b>	£'000	£'000
Balance at the beginning of the year	<b>328</b>	<b>328</b>	81	81
Amount released to income in the year	<b>(192)</b>	<b>(192)</b>	(49)	(49)
Amount deferred in the year	<b>224</b>	<b>224</b>	296	296
Balance at the end of the year	<b>360</b>	<b>360</b>	<b>328</b>	<b>328</b>

Income is deferred where income has been received in advance of the service being provided or delivered. The amounts held in deferred income at year end relate primarily to staff costs, where either the role has been recruited in the following financial year or where the service provided by members of staff is to occur in the next financial year.

### 19. Analysis of changes in net funds/debt (Charity and Group) (Current year)

	<b>1 April</b>	<b>Cash</b>	<b>Other non-</b>	<b>31 March</b>
	<b>2021</b>	<b>flows</b>	<b>cash changes</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cash and cash equivalents</b>				
Cash	6,299	1,532	-	7,831
	6,299	1,532	-	7,831
<b>Borrowings</b>				
Debt due within one year	67	(67)	-	-
Debt due after one year	1,933	(1,933)	-	-
	2,000	(2,000)	-	-
<b>Total</b>	<b>4,299</b>	<b>3,532</b>	<b>-</b>	<b>7,831</b>

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

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

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

	General Funds £'000	Designated Funds £'000	Restricted Funds £'000	Total £'000
Tangible assets	-	7,883	-	<b>7,883</b>
Net current assets	6,124	4,500	364	<b>10,988</b>
Creditors > 1 year	-	-	-	-
	<b>6,124</b>	<b>12,383</b>	<b>364</b>	<b>18,871</b>

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

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

## 22. Financial commitments

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

Group and charity	2022		2021	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
<b>Expiry date:</b>				
Within one year	580	36	576	43
1-5 years	923	66	1,017	96
Over five years	-	1	-	10
	<b>1,503</b>	<b>103</b>	<b>1,593</b>	<b>149</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.

## 23. 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 £9,373 (2021: £6,457) and a fee for the use of the charity's logo, name and data of £2,884 (2021: £1,788). The company has made a charitable donation of its taxable profits of £42,563 (2021: £814) to the charity. At 31 March 2022, the company owed £16,977 (2021: £11,950) 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 2022, the company owed £53,506 (2021: £44,731) to the charity.

There are no additional related party transactions to disclose for 2022 (2021: none).

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

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

	Funds Brought Forward £'000	Income £'000	Expenditure £'000	Transfers Between Funds £'000	Funds Carried Forward £'000
<b>Unrestricted funds</b>					
General fund	5,118	12,017	(6,280)	(4,731)	<b>6,124</b>
Designated funds					
- Building Improvements and Infrastructure Fund	339	-	(339)	972	<b>972</b>
- Legacy Equalisation	-	-	-	1,000	<b>1,000</b>
- IT and Digital Innovation	-	-	-	270	<b>270</b>
- Environmental Investment	-	-	-	327	<b>327</b>
- Service and Innovation Development	-	-	-	1,783	<b>1,783</b>
- Retail Infrastructure	-	-	-	148	<b>148</b>
- Tangible fixed assets	598	-	(262)	284	<b>620</b>
- Building assets fund	7,480	-	(217)	-	<b>7,263</b>
<b>Total designated funds</b>	<b>8,417</b>	<b>-</b>	<b>(818)</b>	<b>4,784</b>	<b>12,383</b>
<b>Total unrestricted funds</b>	<b>13,535</b>	<b>12,017</b>	<b>(7,098)</b>	<b>53</b>	<b>18,507</b>
<b>Restricted funds</b>					
Adult revenue fund	-	244	(244)	-	-
Hospice at Home	27	23	(21)	-	<b>29</b>
Adult social work fund	1	-	-	-	<b>1</b>
Adult Living Appeal	-	51	(51)	-	<b>(0)</b>
Adult activity funds	17	165	(127)	(23)	<b>32</b>
Children's revenue fund	-	1,781	(1,781)	-	-
Children's complementary therapy	15	5	(9)	-	<b>11</b>
Children's development board	62	2	(42)	-	<b>22</b>
Children's investments	1	-	-	-	<b>1</b>
Children's activity funds	81	72	(71)	(1)	<b>81</b>
Children's courtyard capital project	46	1	-	-	<b>47</b>
Pension contribution	-	49	(49)	-	-
Other activity funds	-	163	(88)	(1)	<b>74</b>
Children's capital projects	33	3	(5)	(28)	<b>3</b>
Capital projects - Both	5	-	-	-	<b>5</b>
Hydrotherapy Pool Appeal	133	-	(96)	-	<b>37</b>
NHS England Grant	-	1,278	(1,278)	-	-
Children's day care capital project	-	25	(4)	-	<b>21</b>
<b>Total restricted funds</b>	<b>421</b>	<b>3,862</b>	<b>(3,866)</b>	<b>(53)</b>	<b>364</b>
<b>Total funds</b>	<b>13,956</b>	<b>15,879</b>	<b>(10,964)</b>	<b>-</b>	<b>18,871</b>

## Designated funds

Building Improvements and Infrastructure Fund	Funds set aside for building improvements, maintenance and capital expenditure.
Legacy Equalisation	Funds set aside to enable the hospice to manage the effect of annual fluctuations in legacy income. In years where legacy income is lower than budgeted the Trustees can release funds for revenue or capital expenditure.
IT and Digital Innovation	Funds set aside for utilising technology to improve outcomes for our patients, increase the flexibility of service provision, grow our income, and increase efficiency in our infrastructure.
Environmental Investment	Funds set aside to invest in projects that meet our sustainability policy, improve efficiency, reduce our impact on climate change and reduce costs.
Service and Innovation Development	Funds to allow the charity to invest in service development to meet the evolving requirements of palliative care or to generate income or reduce costs to support our charitable objectives.
Retail Infrastructure	Funds set aside for the refurbishment of our retail shops.
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

The NHSE awarded funding to allow the hospice to make available bed capacity and community support from December 2021 to March 2022 to provide support to people with complex needs in the context of the COVID-19 situation.

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

	Funds Brought Forward £'000	Incoming Resources £'000	Resources Expended £'000	Transfers Between Funds £'000	Funds Carried Forward £'000
<b>Unrestricted funds</b>					
General fund	3,012	8,756	(6,223)	(427)	5,118
Designated funds					
- Building Improvements and Infrastru	-	-	-	339	339
- Tangible fixed assets	738	-	(250)	111	599
- Building assets fund	7,679	-	(217)	17	7,479
<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)	-	27
Adult social work fund	1	-	-	-	1
Adult Living Appeal	-	101	(101)	-	-
Adult activity funds	4	97	(81)	(3)	17
Children's revenue fund	-	871	(871)	-	-
Children's complementary therapy	10	5	-	-	15
Children's development board	150	6	(94)	-	62
Children's minibus provision	-	-	-	-	-
Children's investments	1	-	-	-	1
Children's activity funds	126	47	(80)	(12)	81
Children's courtyard capital project	21	25	-	-	46
Pension contribution	-	49	(49)	-	-
Children's nursing salaries	-	-	-	-	-
Other activity funds	18	30	(39)	(9)	-
Children's capital projects	33	-	-	-	33
Adult capital projects	-	-	-	-	-
Parking capital project	-	-	-	-	-
Capital projects - Both	22	-	(1)	(16)	5
Hydrotherapy Pool Appeal	190	-	(57)	-	133
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>

## 26. 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.