

Report and Financial Statements

Year ended 31 March 2023



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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.

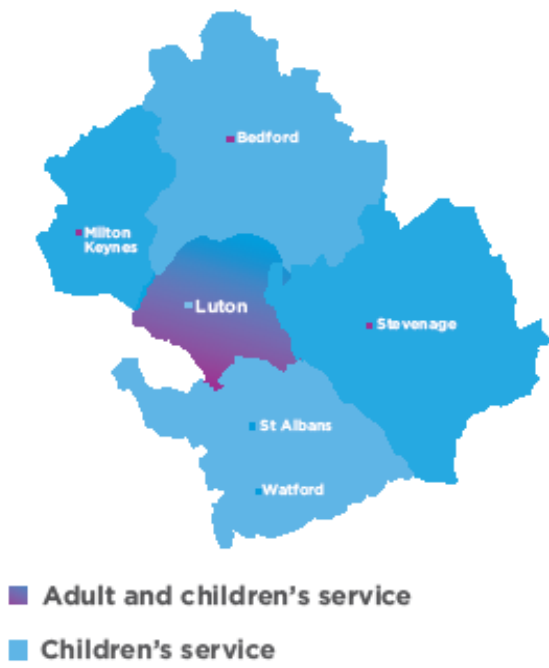
As a charity, we provide free specialist care for adults and children with life-limiting and complex terminal conditions as well as vital support for their family and friends. We are one of a small number of hospice charities in the UK which supports and cares for both adults and children.

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 4 October 2023

Trustees

Clive Medlam (Chair)
Patricia Norman (Vice Chair)
Frank Dalton (Treasurer)
Maria Collins (resigned on 21 September 2022)
Bronwen Philpott (resigned on 21 September 2022)
Karen Proctor (Vice Chair)
Peter Cannon
Miriam Heyes
Jeffrey Lustig
Michael McMahon
Simon Ogden
Chandra Shekar (resigned on 21 July 2023)

Audit and Risk Committee

Trevor Nash (Chair and Independent Member)
Gill Holt (Vice Chair and Independent Member, resigned 7 September 2022)
Maria Collins (resigned on 21 September 2022)
Karen Proctor
Bronwen Philpott (resigned on 21 September 2022)
Frank Dalton
Simon Ogden
Jeffrey Lustig
Pam Garraway (Independent Member)
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
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
31 George Street
Market Hill
Luton
Bedfordshire
LU1 2YN

Investment Managers

Cazenove Capital
1 London Wall Place
London
EC2Y 5AU

Solicitors

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

Pinney Talfourd LLP
78 Ongar Rd
Brentwood
CM15 9BB

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

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

Annual Report of the trustees

The trustees present their report and the audited financial statements for the year ended 31 March 2023. 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 2023, 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 commissioned by the Integrated Care Board 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, 2022/23 was again a challenging year, significantly affected by the recovery from the pandemic with reduced support for 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.

This past year we have seen a significant rise in our costs. Like many, energy and wage increases led this pressure. The rise in energy costs equates to around £250,000. Our umbrella organisations, Hospice UK and Together For Short Lives, are campaigning hard on this point with growing political support.

We continue to work closely with our commissioners to ensure they understand the significant rise in costs against a very small increase in their 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 objectives

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 income to mitigate the effects of rising inflation. A revised investment policy has been approved by the trustees and Cazenove Capital have been appointed as our investment advisors that provides the opportunity to seek higher investment returns. As at the 31 March 2023, we had invested £2m and this has increased to the agreed full investment level of £5m as at 1 June 2023.

The Charity has adopted an ethical investment policy to ensure that its investments do not conflict with its aims. The Charity is also committed to being an environmentally sustainable organisation and understanding the impact of our investments on people and our planet was an important factor in selecting our investment strategy. The image below is taken from the annual report for the year ended 31 December 2022 for the investment fund we have chosen and gives an overview of the sustainability performance of the fund.





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 2023 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

The financial year 2022/23 has been somewhat more predictable and less challenging as we came out of the pandemic and could plan with greater certainty of both income and expenditure.

We have seen our charity shops open for all of 2022/23 and fundraising events taking place and the removal of restrictions associated in Covid-19. However, we are experiencing high rates of inflation which is affecting the charity's cost base, particularly wage and energy costs. High inflation, together with rising interest rates is also impacting our staff, volunteers, supporters and beneficiaries with increasing cost of living pressures.

We continue to closely monitor the financial position of the charity with detailed cash-flow and out-turn projections forming an important part of our financial governance.

We have also continued to receive fantastic support from our local community, trusts and supporters. Following our highest ever legacy income year in 2021/22, 2022/23 has seen legacy income of £1.75m. Whilst we are continuing to invest in legacy awareness, the quantum and timing of such bequests is still unpredictable, and we may see legacy income reduce to lower levels in future years.

We are obviously delighted to receive such generous gifts in wills, and it has given the charity additional financial resilience and sustainability and provided us with an opportunity to invest in the charity, develop income streams and develop new services. 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.

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 2023, 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 2022. The review included revisiting and reaffirming the charity's vision, mission, values and philosophy of care. In 2022/23 the charity rewrote its strategy "Palliative Care in a post pandemic world".




Strategy at a glance
2023-2026

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.

Strategic Aims

We will transform the environment, systems and conversations about living well, death and dying; pioneering new models of care.	We will be impactful with our digital, data and communication approaches, driving change.
We will deliver leading education, innovation and research improving knowledge and skills everywhere, moving towards our aspiration of being a university teaching hospice.	We will attract, retain and engage the best talent and provide opportunity to develop from the outset, valuing difference.
We will drive efficiency and effectiveness to ensure long term financial and environmental sustainability; becoming the charity of choice for our communities.	We will be expertly led, effectively governed, and a values driven learning organisation.



Vision

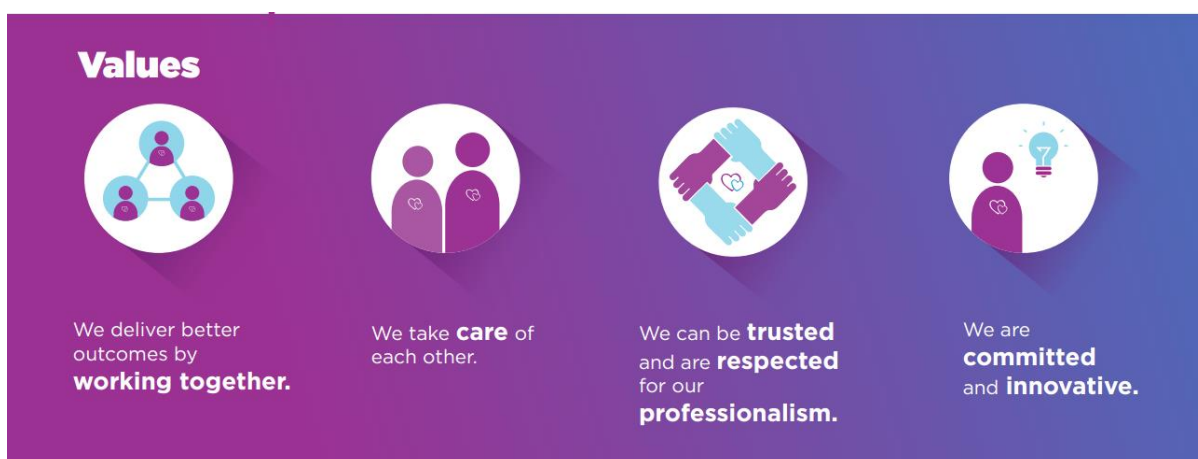
Making the difference when it matters the most.

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

Our values have remained unchanged and are central to all we do.



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 ambitions

As a result of the development of the new strategy the following ambition statements described what will be different as a result of delivering this strategy.

1. A sustainable building and processes fit for the future
2. A more equal and inclusive organisation
3. A Teaching Hospice and Centre of Excellence
4. Digital and innovation first
5. New and improved income streams
6. New and effective internal and external partnerships

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 receive regular communications to say that we are of no cause for concern and may not be inspected imminently.

We improved our ranking from 71st to 18th 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 achieved a Two Star 'Outstanding to Work For' Best Companies accreditation and were ranked 11th nationally in the Charity's Best Organisations To Work For league table. We are very proud of this achievement.

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.

Last year the NHS architecture significantly changed with the official start of Integrated Care Boards. We provide services in areas that are covered by two different Integrated Care Boards. 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.

As shown above we wrote a new strategy for the next three years with contributions from many members of our staff, with the final version being shared at our first all staff away day in February 2023.

(i) Deliver excellent care

We continued to provide excellent care through our in-patient, community, day therapy and out-reach services. Total beneficiaries for 2022/23 were 2,273 people, incorporating patients (those with a diagnosis of a life limiting condition), their relatives and carers.

Adult services

A total of 1,482 adult patients were cared for in 2022/23, 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 1,178 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 108 patients from Luton and south Bedfordshire, providing them with 1,301 bed nights.

Children's services

A total of 381 children were cared for in 2022/23, 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 those 381 children and their families with 2,659 community visits and 510 telephone calls.

The children's **play and activity** service supported 152 children with programmes of care that included specialist and sensory play, symptom assessment and management, interaction and stimulation.

Throughout 2022/23, the children's **in-patient unit** supported 69 children and their families by providing 330 bed nights. Admissions were for short breaks, symptom control, end-of-life care, perinatal care, hospital transition and use of the bereavement suite.

Twenty five 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 236 adult patients and their families and 98 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 2022/23 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

The education team are committed to delivering excellent education, training, and development both internally for staff, volunteers and externally for health and social care professionals, our service-users and within our community. The Learning, Organisational Development and Research function also extends to the wider public audience and conference facilities. Our strategic objective is to deliver leading education, innovation and research improving knowledge and skills everywhere, moving towards our aspiration of being a university teaching hospice.

The team has grown with the addition of six new team members, doubling the size of the team including a Head of Learning, Organisational Development and Research, Learning and Resources Coordinator, Training and Conference Administrator, two funded community connectors and a Data Solutions Officer.

During 2022/23 we delivered 134 external training sessions reaching 1969 attendees predominately from the health and social care sector. We offer a full prospectus of training for Foundation, Intermediate and Advanced tiers including the Essential and Principles of End-of-Life Care rolling programmes to registered and unregistered delegates, attracting positive feedback and reporting improvements to confidence and working practices. We deliver a Compassionate Communities series and are developing an inclusive health offer.

We have organised a selection of successful study days on topics including Frailty, Advance Care Planning and dementia focussed on the various areas around palliative care of a patient and the latest research.

The Lecturer Practitioners deliver bi-monthly masterclasses led by internationally recognised pioneers of palliative care including frailty, complex grief, and anticipatory prescribing. In January Baroness Finlay of Llandaff delivered a masterclass entitled “Legislation to make care good enough for your mum”. This was significant considering the recent change in legislation within the Health and Care Act 2022. In March Professor Irene Higginson delivered a masterclass entitled “An Evaluation of Palliative Care’s response to the Covid Pandemic

In March 2023 we hosted our first face-to-face conference to over 100 attendees. The conference, “Live Well, Plan Well”, focused on the impact of living with an advanced illness for the patient and families. Hosted by Sherone Philips (Senior Manager National PEO LC Programme (NHS England)) with the Keynote Speaker, Dr Kathryn Mannix, talking about the importance of having ‘Tender Conversations.’ Within this conference, presenters explored the importance of the art of communication, managing future health needs, planning and quality of life. The day also included Dr Juliet Stone who shared the ‘Dying in Poverty Report’ and Tommy Whitelaw who focussed on how you can make a difference.

During 2022/23 we provided 122 internal training sessions reaching 1096 attendees across all our teams. Mandatory training continued for staff via a mix of face-to-face training and e-learning modules including the addition of new programmes such as Domestic Abuse workshops and Train the Trainer course and are planning for the new Oliver McGowan training. Staff were also able to access external opportunities including conferences and webinars as well as presenting within forums such as Hospice UK, the University of Bedfordshire and Oxford Brooks University.

A programme of educational events and opportunities for volunteers have been developed in collaboration with the Head of Volunteering. This includes a series of workshops, training, and networking opportunities.

2022/23 has seen further development of our apprenticeship offer utilising our levy funding. The Head of Learning, Organisational Development and Research completed a Level 5 in Leadership and Management, the Associate Director for Supporter Engagement commenced the Senior Leader Apprenticeship, and two Nursing Associates are planning to move onto the Registered Nursing. Three members of the fundraising team have started the Corndel Diploma in Fundraising as part of their continuous professional development.

In addition, we have launched our monthly hospice tours and developed a new Learning Resources/Knowledge Hub hosted on SharePoint. Content is being added including quick reads, information, documents, videos, podcasts, latest journal articles, weblinks to wider support and any upcoming events.

As part of our active partnership with the University of Bedfordshire, we jointly funded a PhD student who published a paper in the Journal of Child Health Care; ‘A team around the child’ professionals’ experiences of unmet needs, access and expectations in children’s palliative care services, a phenomenological study in the UK.

Keech Hospice Care were actively involved in the 'I Just Want to be Me' study, by Hospice UK, focussing on Trans and Gender Diverse Communities' Access to and Experiences of Palliative & End of Life Care. The work of Keech Hospice Care is cited in the report and on the Hospice UK website.

We continue to work on the KEEPNET project, in collaboration with the University of Bedfordshire on a NIHR (National Institute for Health Research) funded one year project. The follow-on work has been outlined in a proposal which is being submitted for future funding relating to supporting our underserved communities.

As part of our commitment to organisational development we have delivered our own Mental Health Week in which we launched our Mental Health Champions across the organisation.

Our Staff Engagement Committee has been launched acting as a voice for staff, focussing on specific topics, allowing staff the opportunity to: Have a voice – speak up, be heard, and make a difference and our EDI Group held its first two meetings and have produced timetable of celebration events for the year including Ramadan and Eid celebration events with an 'Open Iftar' and 'High Chai' both proving a success. In addition, we are now recognised at Mindful and Disability Confident Employers.

Our Compassionate Communities work has developed significantly with the recruitment of two community connectors who has develop links and attend key events such as the Big Iftar event in Luton. Meetings with stakeholders in the South Asian community continue and a list of key connections from mosques, schools, and the community.

Work with Luton Library includes support for Dying Matters Week promoted the work and support available from Keech Hospice Care. The Compassionate Communities team are now also able to book the Conversation Café space to hold events. There are also opportunities for the Community Outreach Worker to have a drop-in session to raise awareness of her work with Keech Hospice Care and Together for Short Lives.

(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 and used it to further the achievement of our objectives.

Despite the legacy impact of the COVID-19 pandemic, and the impact of the cost of living crisis, 2022/23 was able to allow a return to some pro-active activity. Thanks to the support received from our local community and trusts as well as a number of generous gifts made in wills (legacies), total income in 2022/23 was £13,394k (2021/22: £15,878k).

We were delighted to see our retail income for 2022/23 increase significantly from the prior two years, which were significantly impacted by closures and restrictions cause by COVID-19 pandemic. Retail income increased to £5,249k from £4,323k in 2021/22. We also received settlement of our second business interruption claim, which related to November 2020, in the amount of £239k.

Despite all the challenges that have affected our retail activity over the past three years our recovery 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.

Income from charitable activities, including statutory income, decreased to £3,328k (2021/22: £3,812k) as additional support from NHS England and our local Integrated Care Boards to support the response against COVID-19 was at a lower level than 2021/22.

Total fundraised income from donations and legacies decreased significantly compared with the previous year £3,466k (2021/22: £6,136k) with income from 2021/22 significantly higher due to one large legacy of £3.2m. Income from legacies was £1,747k in 2022/23 and this area of income can change significantly from year to year (£4,258k in 2021/22, £1,325k in 2020/21 and £498k in 2019/20). Gifts in Wills continue to provide a vital area of funding.

Fundraising activity in 2022/23 benefitted particularly from opportunities to grow our lottery which now stands at over 11,000 players weekly, community and corporate support which has increased post-pandemic, capital expenditure supported by substantial donations as well as another exceptional gift left to us in a will.

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 raising funds and awareness. You truly helped us continue, with both your financial support and your words of support, which have meant so much to us.

Your Hospice Care in May reached an audience of 350k locally and brought together all three Bedfordshire Hospices to drive self-referral, ITV news filmed at the hospice highlighting the Wellbeing Centre and challenging perceptions of hospice care. The coverage reached 1.6m people.

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 260 members of staff (214 full-time equivalent). An average of 53% of our staff work less than full time. We also are thankful for the support, commitment and dedication of over 1,200 volunteers working in different roles across care, retail, fundraising and support functions.

A new Head of Volunteering has been recruited and they have developed a new Volunteering Strategy to help deliver the organisations goals. The strategy focuses on the shift in demographics of both existing and potential volunteers and how we recruit, how we reward our volunteers and how we look after their wellbeing.

We have surveyed our volunteers and held focus groups to develop the strategy and to shape our volunteering offer, as well as investing in the team by introducing a new volunteering post to assist in the recruitment and support of volunteers within our retail function.

We held a long service awards celebration event at the hospice where we invited volunteers who had achieved a long service milestone to come to an afternoon tea event and to receive a long service award, with some receiving awards for a staggering 30 years volunteering.

One of the cornerstones of the volunteering strategy is to promote Equity, Diversity and Inclusion within our volunteering workforce and we have partnered with several organisations to increase the diversity of our volunteers including the University of Bedfordshire and Sense.

Wellbeing of our staff and volunteers continues to be of the highest priority. We have introduced a Mental Health Champions programme and we have recruited and trained Mental Health Champions from across the organisation so people in all areas of the business have someone they can talk to if they are struggling, and we have regular meetings of the champions to ensure that they are supported and the program is working effectively.

We have introduced a Cash Health Plan as part of a package of financial support to our staff, but also to assist with both physical and mental wellbeing. We have committed to funding level 2 cover for all out staff which allows them to claim back day to day medical costs such as dental and optical costs. It also gives staff access to a physio app, a skin health app and to a virtual G.P which has already allowed staff to gain medication and return to work when they were struggling to access their own G.P.

We continue to develop our Organisational Development Strategy and have established a Staff Engagement Committee to ensure that our staff have a voice regarding key issues across the organisation. We have representation from across all areas of the hospice and focus each meeting on a key issue that is affecting staff. It is also used as an open forum for staff reps to bring any matters affecting staff directly to senior managers.

Equity, Diversity and Inclusion is a key priority of our new strategy and we have established an EDI staff group. This has been very well attended and the group is doing some excellent work looking at our diversity data we collect, how we promote and celebrate diversity, how we increase our reach into harder to reach communities and a forum for people to share issues and concerns. Our first celebration event organised by the staff group were centred around Ramadan, where staff were invited to fast for the day and then break their fast with an iftar at the end of the day. We also celebrated Eid with a 'High Chai'.

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, and we continue to monitor this. 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. We have recently introduced a new Applicant tracking System which not only stream lines the recruitment process for both applicants and recruiting managers, but also ensures applicants are anonymous throughout the shortlisting stage therefore removing any potential bias.

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 was conducted by an external pay consultant in 2021 and all staff are now on the new pay scale, with retail colleagues moving across during 2022/23 after development and evaluation of new job descriptions. 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.

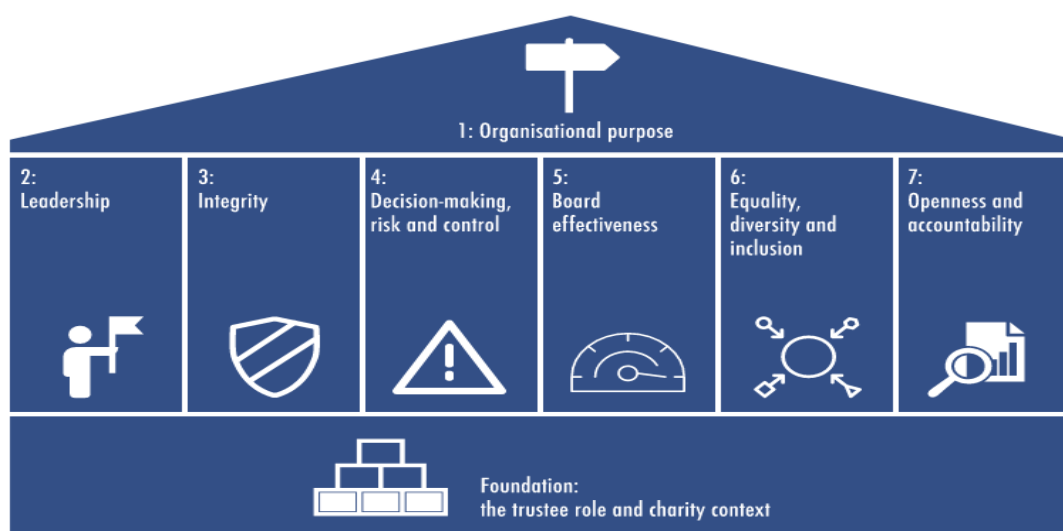
All grades may be eligible for an inflationary annual pay award, if this is affordable, and will be based upon continued benchmarking. We have also responded during the year to the cost of living crisis and rising costs, by offering all staff an economic impact payment and a range of financial assistance such as the cash health plan, the ability to sell annual leave and an enhanced discount package offered through our Employee Assistance Program.

(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.

The restructure of our leadership team, creating some new Associate Director Roles, and a refreshed Strategy and Governance Committee has worked very well.

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



In 2021 the Board conducted a review of governance against the new Charity Governance Code. Since then, on 4th July 2022, we have undertaken a further review facilitated by an external expert. The results of this exercise remain very positive and enabled a refreshed action plan to be compiled and ensure we continue to improve and review our progress. We have considered the latest Code and will be moving to use a tool called DigiBoard to make sure we monitor our progress and collect our evidence. Like many Boards we continue to prioritise recruiting Trustees to fill skills gaps from our Trustee skills audit and also recruiting from underrepresented groups.

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. We have started work to refresh our KPIs based on our new strategy.

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 2023 are set out in the financial statements that follow this Trustees' Report.

Expenditure

Excluding retail spend, expenditure was £7,804,000 (2022: £6,942,000) of which £6,213,000 (79%) was spent on hospice care services (2022: £5,444,000 / 78%). The proportion of expenditure on hospice care services has remained constant between years which represents our focus on increasing the breadth and scope of our care services.

Overall expenditure was 3% more than budgeted for the year and this is due to the ongoing cost pressures caused by rising inflation, particularly staffing costs. Staffing levels have also increased as we expanded some service areas as needs were identified in year and we acted flexibly to address this need.

The cost of activities for raising funds remained constant and our trading expenditure increased by 8% due which was a combination of increasing costs caused by inflation including staffing costs, together with expansion of our online presence and trialling Sunday opening across some of our shops.

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.

Group consolidated income for the year totalled £13,394,000 (2022: £15,878,000), a decrease of 16%. This includes £239,000 of insurance claim proceeds (2022: £559,000), included in Other Operating Income.

Donations and legacies totalled £3,466,000 (2022: £6,136,000) including legacy income of £1,747,000 (2022: £4,258,000). Retail income recovered significantly totalling £5,249,000 (2022: £4,323,000). Income from charitable activities also reduced as support from NHS England and our local Integrated Care Boards to support the response against COVID-19 was at a lower level than 2021/22.

Funds and reserve transfers

The Consolidated Statement of Financial Activities on page 36 shows an increase in funds (surplus) of £1,206,000.

Unrestricted and undesignated funds have increased by £157,000 to £6,281,000 which is within in the target set in the Reserves Policy (see below).

We have transferred £1,694,000 to our designated funds which are funds set aside by the Trustees for specific reasons, projects or initiatives as detailed in Note 26.

Balance Sheet

Total net assets at 31 March 2023 are £20,077,000 which includes group cash balances of £9,597,000. The carrying value of our fixed assets has reduced by £175,000 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 22, 23, 26 and 27 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 2023/24, the policy target range is between £4.355m and £6.533m. 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 2023 the unrestricted undesignated reserves increased to £6.281m, representing 8.7 months of 2023/24 budgeted operating costs less the budgeted direct costs of fundraising and trading. This is within our reserves target. A small deficit budget has been set for 2023/24 and we expect our unrestricted undesignated reserves to be within the reserves target range at the end of 2023/24.

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 under 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 corporate risk register, which identifies risks to the charity in the areas of people, reputation and resilience and finance.

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.

The Trustees are currently undergoing a piece of work on their Appetite for Risk facilitated by external experts.

Trustees conduct regular formal 'trustee visits'. These are currently under review for improvements. 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.

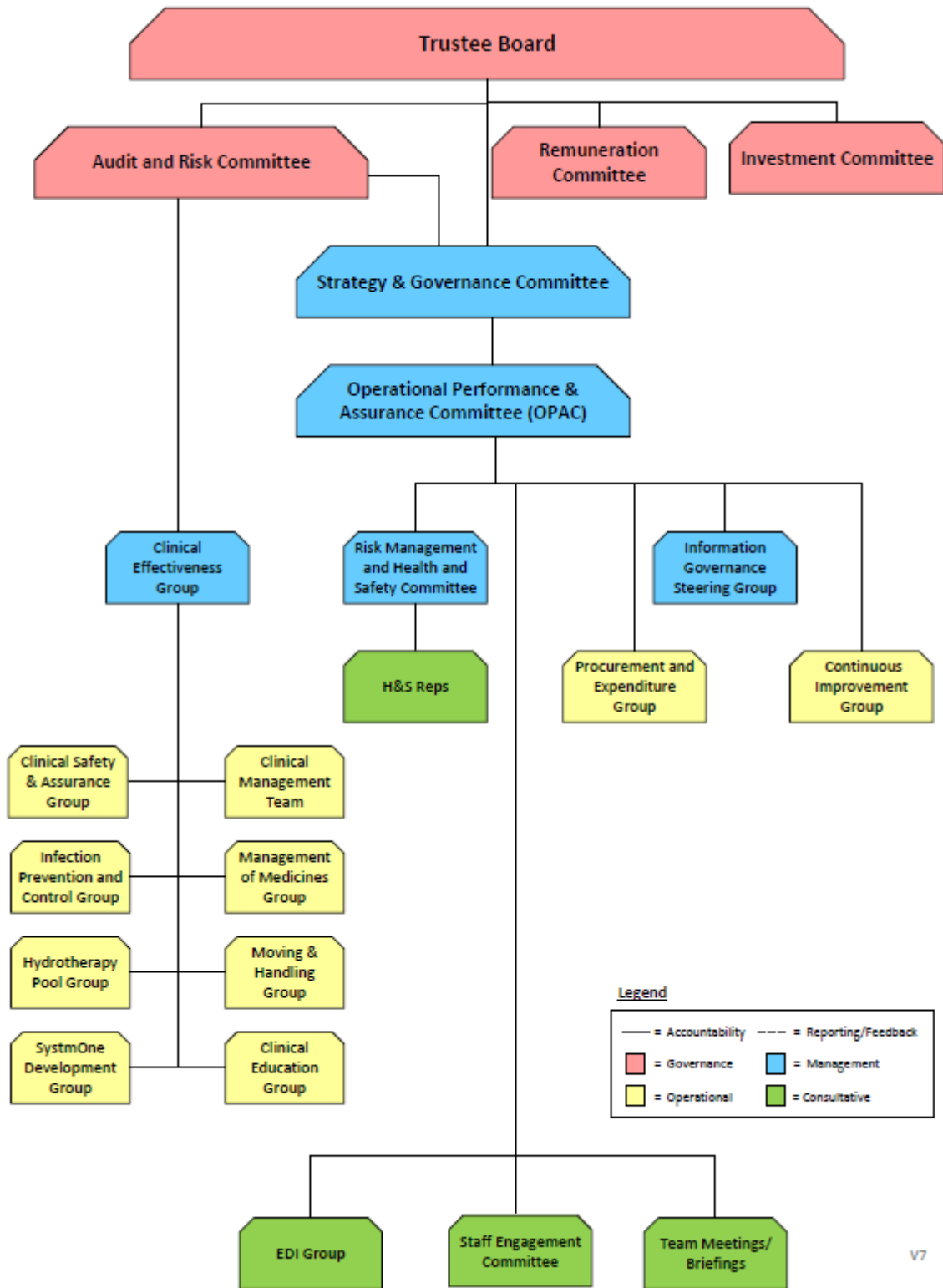
Principal risks and uncertainties

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

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



V7

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. Fundraisers who know or have reasonable grounds for believing that an individual lacks capacity to make a decision to donate will decline to take a donation from that individual. Each decision is considered on its own basis, as capacity can change from time to time. If a donation is found retrospectively to have been given by a person who lacked capacity at the time it was given, that donation will be returned. 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 and deepening engagement with supporters and stakeholder to increase the value and amplification of our work and the impact we make. We will use digital innovation to ensure we can maximise continuous engagement, provide clear pathways of support and drive greater efficiency in our communications. This year saw us contact dedicated external PR support to ensure ongoing external community and sector presence and a repositioning of our educational offer to strengthen our role as a thought leader and support our ambition to become a university teaching hospice. We now have a three year digital innovation roadmap in place and are looking forward to realising this alongside our partners. Year 1 will focus on ensuring we have the foundations in place to support our significant innovation and optimisation plans.

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 Trustees and senior leaders are ambitious for the future of Keech Hospice Care. 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. 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-limiting illness, their family and carers. We want a future where people can live independently, with a good quality of life for as long as possible. 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 to have significant conversations and form plans led by our Compassionate Communities Programme.

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

Therefore, the first steps of this strategy will be to devise and evaluate an investment and change management process.

Our services must dovetail with the NHS, local authorities, care homes, schools and children’s respite facilities; and the communities we serve should shape services.

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.

In 2021 HospiceUK wrote their Future Vision Programme, below, outlining considerations for hospices in future strategy and direction. The report draws together the views of all stakeholders in exploring future sustainability within the sector. They asked them to suggest ways in which Hospices might collaborate, make better use of technology, revise the current funding model and transform ways of working. In distilling the many views on the potential opportunities to create a more sustainable future for palliative and end of life care, they recognised that every Hospice is different. Each organisation is a product of their own unique history, local geography and community demography. Each has something to teach and something to learn.

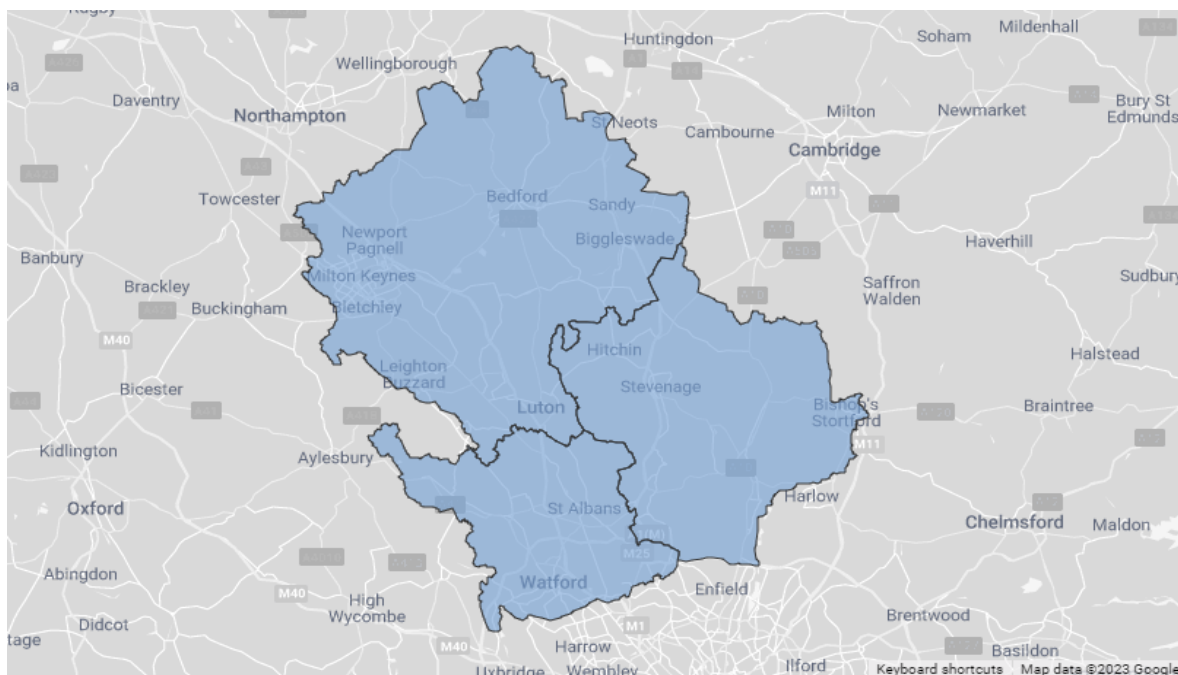
We have ensured that we have been cognisant of this work in devising this new strategy.



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. The pandemic has seen huge delays in screening and treatment adding to the numbers who will now need palliative care. We live in a diverse community and one where disadvantage is evident. For our services, Luton is of particular note. Luton is one of the 20% most deprived districts/unitary authorities in England and 39% of children in Luton live in poverty.

Life expectancy for both men and women is lower than the England average. Life expectancy is 9.7 years lower for men and 4.1 years lower for women in the most deprived areas of Luton than in the least deprived areas.

However, diversity and issues of deprivation is also true for our whole catchment the new PoPNat data produced by HospiceUK allows us to see our geographical patch and challenges.



<https://popnat.hospiceuk.org/Lite/Dashboard/735>

<https://popnat.hospiceuk.org/>

People feel excluded by their gender, race, and the environment they chose to live in. As we strive to do our best, we notice a background of increasing public expectations for hospice care and charities in general to remain trustworthy, diverse and an inclusive organisation, we will be the cornerstone on which to build. The local system sees us increasingly as an anchor organisation and we take this role seriously in driving change. **However, we will also battle the perception of hospice care which remains a challenge as we diversify to meet the changing needs of those who call on our services.**

As we pioneer and innovate, we face difficulties and challenges, achieving a balanced budget, using our reserves to build resilience, controlling our costs impacted by rising inflation at this time, as well as the need for us to work in a new and more collaborative commissioning environment. The establishment of the Integrated Care System across Bedfordshire Luton and Milton Keynes not only brings opportunity, as the NHS now must legally commission palliative and end of life care, but also challenges as they look for new funding models likely to flow though the Integrated Care Boards.

How do we find success?

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

- A responsibility to assess future needs for palliative and end of life care on a population basis.
- Work as good and integrated partners, campaigners and educators across local health and care systems to enable us to make a difference on a larger scale.

- Engaged and influencing at ICS, regional and national level.
- Strive to reach more people through our care, income generation, marketing and communications and influence on other local health and social care services.
- To be active and outward looking in developing new partnerships and understandings what might enable us to succeed.
- Collaborating with other Hospices and providers to deliver seamless services and avoid duplication. Partnering or merging were appropriate.
- Be both business focused and compassionate, 'Hospice heart and a business brain'.
- Have a strong reputation and be trustworthy and use our funds carefully ensuring maximum impact and showing integrity to our donors.
- Build a financial model which supports investment towards a sustainable future.
- Be environmentally aware and make greener choices.
- Embrace innovative technology and a digital future, using our data to achieve insightful decisions.
- Deliver excellence in all we do, modelling a leading charity.
- Value, listen and engage our staff, volunteers and users in all we do.
- Be true to our values and guided by them always.

Given the challenges ahead we now need to invest in the future, to enable us to explore new care delivery models, new income streams and technology, investing our income wisely. We need to develop our workforce, so they can deliver the differing portfolio of services the future will demand. Building a bright and resilient future. 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, growing numbers of bereaved and the economic challenges and uncertainty ahead.
- Strengthen understanding of the contribution of hospice care as a significant partner in health delivery.
- Be trustworthy and protect our reputation
- Become a beacon of excellence and contribute to the national and international body of knowledge
- Grow our base income to enable us to do more for those who need us remaining sustainable
- Show hospice care as a sustainable 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, a hospice for all.
- Continue to be well-led and well governed.

Patients and families are also clear on what they expect from us.

Charity Merger

On the 1st June 2023 North Bedfordshire Hospice Care Ltd (trading as Bedford Daycare Hospice) merged into Keech Hospice Care following a process of strategic and financial due diligence. Whilst this falls outside the timeframe of this report it is a significant change to our structure that it warrants mentioning in this report.

Income and expenditure for North Bedfordshire Hospice Care Ltd for the 9 months ending 31 March 2022 was £596k and £508k respectively with unrestricted reserves of £1.001m. The merger will not only improve the financial sustainability of the Charity but also allow further expansion of our services to our communities.

The Trustees' Annual Report, which incorporates the Strategic Report was approved by the trustees on 4 October 2023, and is signed as authorised on its behalf by:

A handwritten signature in black ink, appearing to read 'Clive Medlam', is positioned above the printed name.

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 2023 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 2023 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 9 and 10, 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. 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 that reads 'R Weaver'.

Richard Weaver (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory
Auditor Date: 13 October 2023

10 Queen Street Place
London
EC4R 1AG

Consolidated Statement of Financial Activities

(including Income & Expenditure Account)
for the year ended 31 March 2023

	Notes	2023			2022		
		Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
Income from:							
Donations and legacies	4	2,828	638	3,466	5,079	1,057	6,136
Charitable activities	9						
Adults Service		1,288	178	1,466	1,237	782	2,019
Children's Services		707	775	1,482	573	719	1,292
Supportive care		75	149	224	68	189	257
Educate and communicate		103	53	156	177	67	244
Total charitable activities		<u>2,173</u>	<u>1,155</u>	<u>3,328</u>	<u>2,055</u>	<u>1,757</u>	<u>3,812</u>
Other trading income							
Trading income	8	101	5	106	90	4	94
Charitable trading income		207	-	207	168	-	168
Lottery income		536	93	629	512	98	610
Retail income		4,098	1,152	5,250	3,380	943	4,323
		<u>4,942</u>	<u>1,250</u>	<u>6,192</u>	<u>4,150</u>	<u>1,045</u>	<u>5,195</u>
Investment income	7	92	-	92	1	-	1
Other Operating Income	6	317	-	317	735	-	735
Total income		<u>10,352</u>	<u>3,043</u>	<u>13,395</u>	<u>12,020</u>	<u>3,859</u>	<u>15,879</u>
Expenditure on:							
Raising funds		621	105	726	664	110	774
Charitable activities							
Adults Service		2,811	240	3,051	1,681	967	2,648
Children's Services		835	1,784	2,619	782	1,444	2,226
Supportive care		714	99	813	442	296	738
Educate and communicate		542	53	595	477	79	556
Total charitable activities		<u>4,902</u>	<u>2,176</u>	<u>7,078</u>	<u>3,382</u>	<u>2,786</u>	<u>6,168</u>
Trading expenditure		3,691	680	4,371	3,055	967	4,022
Total expenditure	10	<u>9,214</u>	<u>2,961</u>	<u>12,175</u>	<u>7,101</u>	<u>3,863</u>	<u>10,964</u>
Net income for the year		<u>1,138</u>	<u>82</u>	<u>1,220</u>	<u>4,919</u>	<u>(4)</u>	<u>4,915</u>
Gain / (Loss) on investment assets	17	(14)	-	(14)	-	-	-
Transfers between funds	26	107	(107)	-	53	(53)	-
Net movement in funds		<u>1,231</u>	<u>(25)</u>	<u>1,206</u>	<u>4,972</u>	<u>(57)</u>	<u>4,915</u>
Reconciliation of funds							
Total funds brought forward	26	18,507	364	18,871	13,535	421	13,956
Total funds carried forward	26	<u>19,738</u>	<u>339</u>	<u>20,077</u>	<u>18,507</u>	<u>364</u>	<u>18,871</u>

The results are derived from continuing activities. All gains and losses recognised in the year are included above. The surplus for the year comprises the net income for the year and was £1,206,000 (2022: £4,915,000 surplus).

The accompanying notes on pages 38-60 form an integral part of this consolidated statement of financial activities.

Balance Sheet
as at 31 March 2023
 Company number: 2904446

	Notes	Group 2023 £'000	Charity 2023 £'000	Group 2022 £'000	Charity 2022 £'000
FIXED ASSETS					
Tangible assets	16	7,708	7,708	7,883	7,883
Investments	17	1,986	1,986	-	-
		9,694	9,694	7,883	7,883
CURRENT ASSETS					
Stocks	18	15	-	13	-
Debtors	19	1,414	1,444	4,239	4,309
Cash at bank and in hand		9,598	9,578	7,831	7,769
Short-term deposits		507	507	-	-
		11,534	11,529	12,083	12,078
CREDITORS: amounts falling due within one year	20	(1,151)	(1,146)	(1,095)	(1,090)
Net current assets		10,383	10,383	10,988	10,988
Net assets	22	20,077	20,077	18,871	18,871
FUNDS					
Unrestricted funds					
General fund		6,281	6,281	6,124	6,124
Designated funds		13,457	13,457	12,383	12,383
Total unrestricted funds		19,738	19,738	18,507	18,507
Restricted funds		339	339	364	364
TOTAL FUNDS	26	20,077	20,077	18,871	18,871

The parent charity's gross income for the year was £13,289,000 (2022: £15,785,000) and the net result for the year was £1,160,000 surplus (2022: £4,873,000 surplus)

The financial statements on pages 35-60 were approved and authorised for issue by the trustees on 4 October 2023 and signed on their behalf by:



Clive Medlam
 Chair of Trustees

Consolidated Statement of Cash Flows for the year ended 31 March 2023

	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Cash flows from operating activities				
Net income (expenditure) for the year		1,206		4,915
Investment income		(92)		(1)
Depreciation charges		494		479
(Profit) loss on sale of fixed assets		4		-
Decrease / (increase) in stock		(2)		8
(Increase) / decrease in debtors		2,825		(1,721)
Increase / (decrease) in creditors		56		135
Losses on investments		14		-
Net cash provided by (used in) operating activities		4,505		3,815
Cash flows from investing activities				
Payments to acquire tangible fixed assets	(323)		(284)	
Purchase of investments	(2,000)		-	
Bank interest received	79		1	
Investment income	13			
		(2,231)		(283)
Cashflows from financing activities				
Repayment of long-term debt		-		(2,000)
Increase/(decrease) of cash in the year		2,274		1,532
Cash at 1 April		7,831		6,299
Increase/(decrease) of cash in the year		2,274		1,532
Cash at 31 March		10,105		7,831

Please see Note 21 for Analysis of movements in funds/net debt

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.

Investments

Assets held for investment purposes are included at market value at the balance sheet date. Net gains and losses arising on revaluations and disposals during the year are included in the Statement of Financial Activities.

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 2023, the number of such guarantees was 10 (2022: 12).

3. Contingent liabilities

Sales of goods donated under the retail gift aid scheme are recognised as income at the point of sale. Technically, the sale proceeds, less commission, belong to the donor until 21 days elapse after we write to the donor to inform them of the sale. It is rare for a donor to ask for their sales proceeds to be returned but, at the year-end, there was £217,230 (2022: £200,389) of income that was within this 21-day timeframe so could potentially be asked to be returned. The accounts also include the £54,307 (2022: £50,097) of gift aid that is recoverable on these donations. At the date of signing the accounts, this timeframe had elapsed and £162 (2022: £239) of this income had been returned to donors.

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

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000
Individual donations and gifts	786	334	1,120
Corporate donations	146	120	266
Events	170	17	187
Trusts and grants	129	18	147
Legacies	1,597	149	1,746
Total donations and legacies	2,828	638	3,466

Included in donations and legacies are £74,715 (2022: £86,921) of gifts in kind.

(b) Donations and legacies (prior 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
Total donations and legacies	5,079	1,057	6,136

5. Grants received

	2023 £'000	2022 £'000
Grant contribution funded by NHS England - Children's Hospice Grant	689	358
Grant contribution funded by NHS England - COVID-19 Support	-	920
	689	1,278

Grants are allocated across charitable activities are set out in Note 9.

6. Other Operating Income

	Unrestricted Funds 2023 £'000	Restricted Funds 2023 £'000	Total 2023 £'000	Unrestricted Funds 2022 £'000	Restricted Funds 2021 £'000	Total 2022 £'000
Retail, Hospitality and Leisure Grant Fund	-	-	-	154	-	154
Coronavirus Job Retention Scheme	-	-	-	19	-	19
Insurance Claim Proceeds	243	-	243	559	-	559
Reimbursements	40	-	40	-	-	-
Sundry Income	33	-	33	3	-	3
	316	-	316	735	-	735

7. Investment Income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000
Listed investments	13	-	13	0	-	-
Interest receivable from bank deposits	79	-	79	1	-	1
	92	-	92	1	-	1

8. (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 2023 £'000	Pasque Charity (Trading) 2023 £'000	Total 2023 £'000
Turnover			
Sale of bought-in goods	71	-	71
Conference sales	2	-	2
Corporate fundraising agreements	5	-	5
Catering sales	28	-	28
	<u>106</u>	<u>-</u>	<u>106</u>
Cost of sales and administrative expenses			
Unrestricted	<u>(60)</u>	<u>-</u>	<u>(60)</u>
Governance	-	-	-
Amounts gift aided to Keech Hospice Care	(46)	-	(46)
	<u>-</u>	<u>-</u>	<u>-</u>
The aggregate of the assets, liabilities and funds was:			
Assets	32	4	36
Liabilities	(32)	(4)	(36)
	<u>-</u>	<u>-</u>	<u>-</u>
Funds	<u>-</u>	<u>-</u>	<u>-</u>

Amounts owed to the parent undertaking are shown in Note 19. Included within cost of sales and administration expenses above is a management charge of £13,043 (2022: £12,257) from the parent charity.

(b) Activities for generating funds (prior year)

	Keech Hospice Care Trading 2022 £'000	Pasque Charity (Trading) 2022 £'000	Total 2022 £'000
Turnover			
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>
Cost of sales and administrative expenses			
Unrestricted	<u>(52)</u>	<u>-</u>	<u>(52)</u>
Governance	-	-	-
Amounts gift aided to Keech Hospice Care	(42)	-	(42)
	<u>-</u>	<u>-</u>	<u>-</u>
The aggregate of the assets, liabilities and funds was:			
Assets	22	54	76
Liabilities	(22)	(54)	(76)
	<u>-</u>	<u>-</u>	<u>-</u>
Funds	<u>-</u>	<u>-</u>	<u>-</u>

9. (a) Income from charitable activities (current year)

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000
Core NHS agreements	709	-	709
Local Authority & NHS agreements for specific care	68	13	81
Specialist palliative care payments for specific purposes	511	35	546
Statutory contributions to pension costs	-	22	22
Restricted Donations	-	108	108
Subtotal for the Adults Service	1,288	178	1,466
Core NHS agreements	617	-	617
Local Authority & NHS agreements for specific care	-	11	11
Specialist palliative care payments for specific purposes	90	-	90
Statutory contributions to pension costs	-	22	22
Grant contribution funded by NHS England - Children's Hospice Grant	-	689	689
Restricted Donations	-	53	53
Subtotal for the Children's Services	707	775	1,482
Core NHS agreements	27	-	27
Specialist palliative care payments for specific purposes	48	-	48
Statutory contributions to pension costs	-	5	5
Restricted Donations	-	144	144
Subtotal for Supportive Care	75	149	224
Specialist palliative care payments for specific purposes	2	-	2
NHS Funding for Education Purposes	101	-	101
Statutory contributions to pension costs	-	3	3
Restricted Donations	-	50	50
Subtotal for Educate and Communicate	103	53	156
Total income from charitable activities	2,173	1,155	3,328
Total restricted donations	-	(355)	(355)
Total statutory income	2,173	800	2,973

(b) Income from charitable activities (prior 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
Subtotal for the Adults Service	1,237	782	2,019
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
Subtotal for the Children's Services	573	719	1,292
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
Subtotal for Supportive Care	68	189	257
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
Subtotal for Educate and Communicate	177	67	244
Total income from charitable activities	2,055	1,757	3,812
Total restricted donations	-	(357)	(357)
Total statutory income	2,055	1,400	3,455

10. (a) Analysis of Expenditure (current year)

	Staff costs £'000	Other Direct costs £'000	Deprec- iation £'000	Support costs £'000	Gover- nance £'000	2023 Total £'000
Cost of generating funds						
Fundraising	520	159	2	39	6	726
Trading	2,213	1,774	91	253	41	4,372
Total cost of generating funds	2,733	1,933	93	292	47	5,098
Cost of charitable activities						
Adult hospice	1,969	510	133	410	29	3,051
Children's hospice	1,688	461	139	307	24	2,619
Supportive Care	657	98	2	48	8	813
Educate and Communicate	480	76	-	34	5	595
Total cost of charitable activities	4,794	1,145	274	799	66	7,078
Governance costs	52	56	1	4	(113)	(0)
Support costs	375	593	127	(1,095)	-	-
Total Expenditure	7,954	3,727	495	-	(0)	12,176
Total Expenditure (prior year)	7,153	3,331	480	-	-	10,964

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

	Allocation basis	2023 £'000
Facilities and services	Time and Headcount	490
Management, HR, Finance, Admin, IT, Marketing and Communications	Headcount	605
Total support costs		1,095

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	2022 Total £'000
Cost of generating funds						
Fundraising	489	245	0	34	6	774
Trading	2,079	1,624	88	195	36	4,022
Total cost of generating funds	2,568	1,869	88	229	42	4,796
Cost of charitable activities						
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
Total cost of charitable activities	4,250	916	278	664	60	6,168
Governance costs	46	53	-	3	(102)	(0)
Support costs	289	493	114	(896)	-	-
Total Expenditure	7,153	3,331	480	-	-	10,964
Total Expenditure (prior year)	7,079	3,134	466	-	-	10,679

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	Headcount	471
Total support costs		896

11. Analysis of staff costs

	2023 £'000	2022 £'000
Wages and salaries	6,935	6,271
Social security costs	579	487
Employer's contribution to defined contribution pension schemes	440	395
	7,954	7,153

During the year, no employees were made redundant with redundancy payments totalling £Nil being made (In 2022, 2 employees were made redundant with redundancy payments totalling £9,792).

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

	2023 Number	2022 Number
£60,000 - £69,999	1	1
£70,000 - £79,999	-	1
£80,000 - £89,999	1	-
£90,000 - £99,999	-	1
£100,000-£109,999	1	-
	<u>3</u>	<u>3</u>

One of the employees included in the bandings above £60,000 have retirement benefits accruing under a defined contribution scheme (2022: one member). Payments to defined contribution schemes in the year in respect of those employees included in the bandings above £60,000 totalled £11,470 (2022: £10,349).

The hospice considers that the key management personnel comprises the trustees (who are unpaid) and the Executive Directors. Total employee benefits of the Executive Directors was £354,729 (2022: £331,858).

12. Staff numbers

The average monthly headcount (including bank staff) was 286 (2022: 273) and analysis of the employees by function was:

	2023		2022	
	Actual number	Full-time equivalent	Actual number	Full-time equivalent
Adults Service	48	47	45	46
Children's Services	45	40	44	39
Supportive Care	19	14	20	15
Fundraising	18	16	18	17
Trading	102	81	96	77
Facilities and services	15	9	13	8
Management, HR, Finance, Administration and IT	36	32	32	29
Public Relations and Communications	3	3	5	4
	<u>286</u>	<u>242</u>	<u>273</u>	<u>235</u>

The hospice had an average of 1,200 volunteers during the year (2022: 1,466), of which 750 (2022: 888) worked in our retail operations and 450 (2022: 578) supported the charitable and administrative work of the hospice. We are extremely grateful for their efforts.

13. Pension costs

Contributions to the defined contribution pension scheme for the period were £243,000 (2022: £239,000). Contributions outstanding at the year-end totalled £44,000 (2022: £44,000).

Contributions to the National Health Service Pension Scheme for the period were £196,000 (2022: £156,000) and the agreed contribution rate was 14.3%. Contributions outstanding at the year-end totalled £29,000 (2022: £23,000).

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 2022/23 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.

14. Movement in total funds for the group

Movement in total funds is arrived at after charging:

	2023	2022
	£'000	£'000
Auditor's remuneration - Audit Fee (Group)	25	20
Operating lease rentals - land and buildings	752	748
Depreciation	494	479

15. Trustees' remuneration and expenses

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

One trustee received reimbursement of expenses of £304 during the year in their role as trustee (2022: None).

Trustees made voluntary donations totalling of £1,130 during the year (2022: £6,435).

16. 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	Assets in course of construction £'000	Total £'000
GROUP AND CHARITY								
Cost								
At 1 April 2022	10,826	1,697	460	799	1,411	97	-	15,290
Additions	-	68	31	15	187	2	20	323
Disposals	-	-	-	(5)	-	-	-	(5)
At 31 March 2023	10,826	1,765	491	809	1,598	99	20	15,608
Depreciation								
At 1 April 2022	3,562	1,563	410	717	1,059	96	-	7,407
Charge for year	218	69	21	29	156	1	-	494
Disposals	-	-	-	(1)	-	-	-	(1)
At 31 March 2023	3,780	1,632	431	745	1,215	97		7,900
Net book value								
At 31 March 2023	7,046	133	60	64	383	2	20	7,708
At 1 April 2022	7,264	134	50	83	352	-	-	7,883

All of the above assets are used for charitable purposes.

17. Fixed Asset Investments (Charity and Group)

	2023		2023	2022		2022
	Unrestricted Funds £'000	Restricted Funds £'000	Total £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total £'000
Market value as at 1 April	-	-	-	-	-	-
Purchases and additions of fixed asset investments	2,000	-	2,000	-	-	-
Realised gain / (loss)	-	1	1	-	-	-
Unrealised gain / (loss) on investment	-	13	13	-	-	-
Market value as at 31 March	1,986	-	1,986	-	-	-

18. Stock

	Group 2023 £'000	Charity 2023 £'000	Group 2022 £'000	Charity 2022 £'000
Goods for resale	15	-	13	-

19. Debtors

	Group	Charity	Group	Charity
	2023	2023	2022	2022
	£'000	£'000	£'000	£'000
Trade debtors	413	413	163	163
Amounts owed by related undertaking	-	30	-	70
Other debtors	196	196	225	225
Prepayments and accrued income	806	806	3,851	3,851
	<u>1,415</u>	<u>1,445</u>	<u>4,239</u>	<u>4,309</u>

20. Creditors: amounts falling due within one year

	Group	Charity	Group	Charity
	2023	2023	2022	2022
	£'000	£'000	£'000	£'000
Trade creditors	265	264	271	271
Other creditors	72	72	52	52
Accruals and deferred income	814	809	772	767
	<u>1,151</u>	<u>1,145</u>	<u>1,095</u>	<u>1,090</u>

Movement on deferred income during the year:

	Group	Charity	Group	Charity
	2023	2023	2022	2022
	£'000	£'000	£'000	£'000
Balance at the beginning of the year	360	360	328	328
Amount released to income in the year	(197)	(197)	(192)	(192)
Amount deferred in the year	346	346	224	224
Balance at the end of the year	509	509	360	360

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.

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

	1 April	Cash	Other non-	31 March
	2022	flows	cash changes	2023
	£'000	£'000	£'000	£'000
Cash and cash equivalents				
Cash	7,831	2,273	-	10,104
	<u>7,831</u>	<u>2,273</u>	<u>-</u>	<u>10,104</u>
Borrowings				
Debt due within one year	-	-	-	-
Debt due after one year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	7,831	2,273	-	10,104

A fixed and floating charge is registered in favour of Natwest Bank plc however no borrowings exist with them, or any other financial institution. The charge has remained in place from when we took out a Coronavirus Business Interruption Loan, which was subsequently repaid in full in 2021/22.

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

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

22. Analysis of net assets (current year)

	General Funds £'000	Designated Funds £'000	Restricted Funds £'000	Total £'000
Tangible assets	-	7,708	-	7,708
Investments	-	1,986	-	1,986
Net current assets	6,281	3,763	339	10,383
	6,281	13,457	339	20,077

23. Analysis of net assets (prior year)

	General Funds £'000	Designated Funds £'000	Restricted Funds £'000	Total £'000
Tangible assets	-	7,883	-	7,883
Net current assets	6,124	4,500	364	10,988
	6,124	12,383	364	18,871

24. Financial commitments

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

Group and charity	2023		2022	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Expiry date:				
Within one year	523	45	580	36
1-5 years	830	41	923	66
Over five years	10	-	-	1
	1,363	86	1,503	103

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

25. 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 £9,933 (2022: £9,373) and a fee for the use of the charity's logo, name and data of £3,110 (2022: £2,884). The company has made a charitable donation of its taxable profits of £45,596 (2022: £42,563) to the charity. At 31 March 2023, the company owed £25,923 (2022: £16,977) 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 2023, the company owed £3,867 (2022: £53,506) to the charity.

There are no additional related party transactions to disclose for 2023 (2022: none).

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

26. Consolidated statement of funds (current year)

	Funds Brought Forward £'000	Income £'000	Expenditure £'000	Investment Gains £'000	Transfers Between Funds £'000	Funds Carried Forward £'000
Unrestricted funds						
General fund	6,124	10,352	(8,276)	(14)	(1,905)	6,281
Designated funds						
- Building Improvements and Infrastructure Fund	972	-	(217)	-	345	1,100
- Legacy Equalisation	1,000	-	-	-	500	1,500
- IT and Digital Innovation	270	-	(39)	-	119	350
- Environmental Investment	327	-	(25)	-	198	500
- Service and Innovation Development	1,783	-	(95)	-	312	2,000
- Retail Infrastructure	148	-	(68)	-	220	300
- Tangible fixed assets	620	-	(276)	-	318	662
- Building assets fund	7,263	-	(218)	-	-	7,045
Total designated funds	12,383	-	(938)	-	2,012	13,457
Total unrestricted funds	18,507	10,352	(9,214)	(14)	107	19,738
Restricted funds						
Adult revenue fund	-	96	(96)	-	-	-
Hospice at Home	29	20	(24)	-	(16)	9
Adult social work fund	1	-	-	-	-	1
Adult Living Appeal	-	1	(1)	-	-	(0)
Adult activity funds	32	144	(130)	-	(13)	33
Children's revenue fund	-	1,767	(1,767)	-	-	-
Children's complementary therapy	11	5	(3)	-	-	13
Children's development board	22	-	(23)	-	1	-
Children's investments	1	-	-	-	-	1
Children's activity funds	81	43	(52)	-	(6)	66
Children's courtyard capital project	47	-	-	-	(25)	22
Pension contribution	-	51	(51)	-	-	-
Other activity funds	74	97	(76)	-	-	95
Children's capital projects	3	93	-	-	-	96
Capital projects - Both	5	20	(2)	-	(20)	3
Hydrotherapy Pool Appeal	37	-	(37)	-	-	-
NHS England Grant	-	688	(688)	-	-	-
Children's day care capital project	21	18	(11)	-	(28)	-
Total restricted funds	364	3,043	(2,961)	-	(107)	339
Total funds	18,871	13,395	(12,175)	(14)	-	20,077

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	Funds received from NHSE to children's hospices for financial year 2022/2023.

27. Consolidated statement of funds (prior year)

	Funds Brought Forward £'000	Income £'000	Expenditure £'000	Transfers Between Funds £'000	Funds Carried Forward £'000
Unrestricted funds					
General fund	5,118	12,020	(6,283)	(4,731)	6,124
Designated funds					
- Building Improvements and Infrastructure Fund	339	-	(339)	972	972
- Legacy Equalisation	-	-	-	1,000	1,000
- IT and Digital Innovation	-	-	-	270	270
- Environmental Investment	-	-	-	327	327
- Service and Innovation Development	-	-	-	1,783	1,783
- Retail Infrastructure	-	-	-	148	148
- Tangible fixed assets	598	-	(262)	284	620
- Building assets fund	7,480	-	(217)	-	7,263
Total designated funds	8,417	-	(818)	4,784	12,383
Total unrestricted funds	13,535	12,020	(7,101)	53	18,507
Restricted funds					
Adult revenue fund	-	244	(244)	-	-
Hospice at Home	27	23	(21)	-	29
Adult social work fund	1	-	-	-	1
Adult Living Appeal	-	51	(51)	-	(0)
Adult activity funds	17	165	(127)	(23)	32
Children's revenue fund	-	1,781	(1,781)	-	-
Children's complementary therapy	15	5	(9)	-	11
Children's development board	62	2	(42)	-	22
Children's investments	1	-	-	-	1
Children's activity funds	81	69	(68)	(1)	81
Children's courtyard capital project	46	1	-	-	47
Pension contribution	-	49	(49)	-	-
Other activity funds	-	163	(88)	(1)	74
Children's capital projects	33	3	(5)	(28)	3
Capital projects - Both	5	-	-	-	5
Hydrotherapy Pool Appeal	133	-	(96)	-	37
NHS England Grant	-	1,278	(1,278)	-	-
Children's day care capital project	-	25	(4)	-	21
Total restricted funds	421	3,859	(3,863)	(53)	364
Total funds	13,956	15,879	(10,964)	-	18,871

28. 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.

29. Post Balance Sheet Event

On the 1st June 2023 North Bedfordshire Hospice Care Ltd (trading as Bedford Daycare Hospice) merged into Keech Hospice Care following a process of strategic and financial due diligence. Whilst this falls outside the timeframe of this report it is a significant change to our structure that it warrants mentioning in the financial statements.

Income and expenditure for North Bedfordshire Hospice Care Ltd for the 9 months ending 31 March 2022 was £596k and £508k respectively with unrestricted reserves of £1.001m. The merger will not only improve the financial sustainability of the Charity but also allow further expansion of our services to our communities.