Keech Hospice

England & Wales · Charity number 1035089

Details

Other names	KEECH HOSPICE CARE, LUTON AND SOUTH BEDFORDSHIRE HOSPICE, PASQUE CHARITY, KEECH COTTAGE CHILDREN'S HOSPICE, PASQUE ADULT HOSPICE
Status	Registered
Legal form	Charitable company
Company number	02904446
Registered	1994-03-15
Register	View on the Charity Commission register

Contact

Address	Great Bramingham Lane Luton Bedfordshire LU3 3NT
Phone	01582492339
Email	info@keech.org.uk
Website	www.keech.org.uk

Activities

Objects: TO PROMOTE THE RELIEF OF SICKNESS IN SUCH WAYS AS THE CHARITY SHALL FROM TIME TO TIME THINK FIT. (SEE GOVERNING DOCUMENT FOR FULL DETAILS)

Activities: The provision of palliative and supportive care, and to support those with specific support needs, within Luton & South Bedfordshire (for adults) and within Bedfordshire, Hertfordshire and Milton Keynes (for children).

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** The Advancement Of Health Or Saving Of Lives
- **Who:** Children/young People, Elderly/old People, People With Disabilities

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Geography

- **Area of benefit:** BEDFORDSHIRE AND HERTFORDSHIRE
- Bedford
- Central Bedfordshire
- Hertfordshire
- Luton
- Milton Keynes

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£14,490,000	£16,306,000	£19,159,000	361
2024-03-31	£15,402,000	£14,631,000	£21,143,000	319
2023-03-31	£13,395,000	£12,175,000	£20,077,000	286
2022-03-31	£15,878,000	£10,964,000	£18,871,000	273
2021-03-31	£12,629,000	£10,679,000	£13,956,000	284

Trustees

Name	Role	Appointed
Anisah Akthar		2025-03-26
Debra Smith		2023-10-04
Iain David Malcolm		2023-11-17
Judith Greevy		2023-10-04
Michael John McMahon		2020-03-26
Miriam Heyes		2019-01-22
PETER CANNON		2018-06-19
Philippa Susan Hurst		2025-03-26
Rowena Clare Craddock		2025-03-26
Simon Ogden		2021-03-16

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Keech Hospice

England & Wales - Charity number 1035089

Accounts

Report and Financial Statements

Year ended 31 March 2025

KEECH HOSPICE

Company No. 2904446
Registered Charity No. 1035089

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"Making the difference when it matters the most."

Liz Searle,

Chief Executive Officer

About Keech Hospice

Keech Hospice is an all-age hospice, providing services for adults in Bedfordshire, and for children who live in Bedfordshire, Hertfordshire and Milton Keynes.

As a charity, we provide free specialist palliative care for adults and children with palliative 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, 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 provided in peoples own homes, in hospital, in care homes and in our fully adapted hospice buildings as outpatients or in the hospice in patient unit.

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 is there to help.

Trustees, officers and professional advisors

Served in the year and up to 25 September 2025

Trustees

Simon Ogden (Chair)	
Patricia Norman (Vice Chair)	(Resigned 25 September 2024)
Peter Cannon	
Miriam Heyes	
Jeffrey Lustig	
Michael McMahon	
Judith Greevy	
Debra Smith	
Iain Malcolm	
Anisah Akthar	(Appointed 26 March 2025)
Rowena Craddock	(Appointed 26 March 2025)
Philippa Hurst	(Appointed 26 March 2025)

Audit and Risk Committee

Geoff Lambert (Chair and Independent Member)
Iain Malcolm
Peter Cannon
Jeffrey Lustig
Debra Smith
Judy Greevy
Catherine Jervis (Independent Member)
Pam Garraway (Independent Member)

Trading companies

Pasque Charity (Trading) Limited	Geoff Lambert (Chair) Peter Cannon Rob Davies
Keech Hospice (Trading) Limited	Geoff Lambert (Chair) Peter Cannon Rob Davies

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	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
Associate Director Integrated Governance & Improvement	Paula Welsh
Associate Director Patient Services (Supportive Care & Social Work)	Clare Burden

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

Registered Office

Great Bramingham Lane
Streatley
Luton
LU3 3NT

Auditor

Haysmac 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 2025. 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 2025, 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 show 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 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 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 Bedfordshire in an eight-bed unit;
- Adult out-patient palliative and supportive care for residents of Bedfordshire from the Wellbeing Centre in Luton and the Living Well Centre in Bedford;
- 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 and end of life 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. Last year a neighbouring hospice relinquished its Children's Service in Hertfordshire. We have picked up the full caseload to ensure families were not left without support.

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.

Our Compassionate Communities programme is now established, aiming to create a community of Compassionate Friends across the areas we deliver care to help dispel the myths about dying and bereavement, helping communities to be better informed and more confident in having these conversations.

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 and the Department of Health). However, 2024/25 was again a challenging year, significantly impacted by unprecedented rises in costs. However, our strong reserves have enabled us to invest in a number of transformational projects. These include a new fundraising strategy and structure, investment in our digital infrastructure, including a new customer relationship management system, and investment in our retail estate. In addition, we have refreshed our brand. Our ambition is to grow our income to meet demand.

Managing costs closely is a key target for us. We have undertaken a review of our buildings with an architect to ensure it is the best use of the space and we have commissioned a sustainability review to help to reduce costs and become more efficient. One project for 2025/26 is the installation of solar panels as a gift from a partner company.

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, Keech Hospice (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.

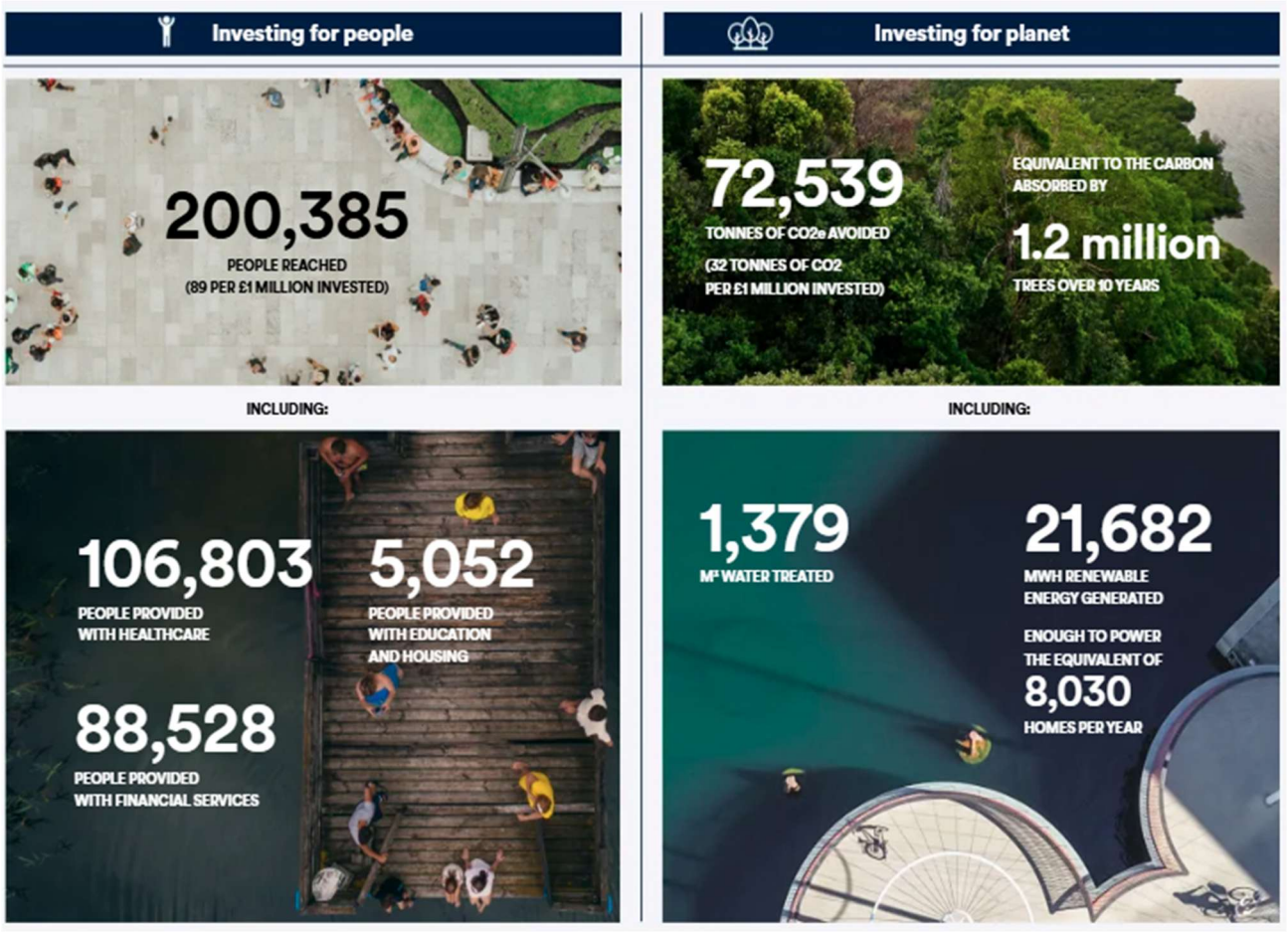
The Audit and Risk Committee, comprising trustees and three independent members (one of whom is the Chair), monitors all risks faced by the charity and meets every two to three months. It has a direct reporting line into the trustee board meetings and forms an important role in the overall assurance 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. Cazenove Capital have been appointed as our investment advisors and that provides the opportunity to seek higher investment returns. At the year-end our total investment portfolio was valued at £5,134m.

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 2024 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. Trustees hold membership of Keech Hospice 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 2023/24 including Measuring Success and KPIs and Patient Safety Incident Response Framework.

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 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 2024/25 has seen inflation reducing but the impact of high inflation through 2023/24 increased the charity's cost base significantly, particularly wage and energy costs. The impact of this high inflation, together with rising interest rates is also impacting our staff, volunteers, supporters and beneficiaries with increasing cost of living pressures. From April 2025 we will also be faced with increase to the national insurance rates and thresholds, adding around £300k of cost per year.

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. Legacy income in 2024/25 was just over £1.3m and 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 news 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 quarterly 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

HaysMac 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 2025, 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".

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'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

We would like to start by thanking all our staff and volunteers for their outstanding work throughout the year. It has been a year to be very proud of.

We completed and submitted our Quality Account which outlines our achievements for last year and our quality ambitions for the year ahead (https://live-keech-site.pantheonsite.io/wp-content/uploads/2025/06/Quality-Account-2024-2025.pdf)

The quality of our services is very important to us, and we know you want to be assured of our attention to the quality of our delivery and our efforts to continuously improve wherever we can.

In the last year we've seen improvements and traction against our new strategy across all areas of the organisation. This can particularly be seen in the areas of Digital Development and Sustainability.

We're extremely proud of all our recent feedback, once again we achieved an 'Outstanding Organisation to Work For' in the Best Companies List 2025, as voted by our staff. We were also delighted and humbled by the positive feedback that we received from patients and their families across all our services, with 100% of friends and family extremely likely to recommend our care.

We were inspected by the Care Quality Commission, and were rated Good overall and Outstanding for Responsiveness

June 2023 saw the merger of Bedford Daycare Hospice into Keech Hospice. The bringing together of these two historic and much-loved charities will ensure that services provided by Bedford Daycare Hospice, for the people of Bedford and surrounding villages, are preserved and indeed grow. The clinical services are now embedded and working well with a steady increase in referrals.

In previous years our challenges have been the recruitment of nurses. Following the work of a full cross organisational steering group, we are delighted to report we have fully established teams.

We work closely with our system partners, and we are delighted to have a Macmillan Transformation Lead in place to review and improve Palliative and End of Life Care priorities. This has led to a full ICB review of Palliative and End of Life Care, resulting in the ICB naming this a top three strategic priority.

Funding also remains a challenge, with NHS funding not keeping pace with cost increases and in some cases reduced. Voluntary income also remains challenging in these difficult economic times, and the pressure remains to be effective and efficient with our resources. We were pleased to receive £189k from the Department of Health and Social Care for purchase of capital assets during 2024/25. Whilst this did not alleviate the pressures on our operating costs it will allow us to invest in several capital projects which will benefit our long term financial and environmental sustainability, patient care and digital transformation. Further funding is due during 2025/26, again for capital projects.

We look forward to the year ahead delivering our services to our whole community. In 2025 we will be refreshing our strategy ready to commence in April 2026.

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.

The year saw the start of the debate on Assisted Dying. This Bill is working its way through parliament. Evidence has been given by Hospice UK based on the feedback of hospices like us. It is not yet clear what the implications are for our services and staff. However, it will represent a significant change in the way death and dying is viewed by society and the choices available. We track this change closely and will start conversations across the hospice.

(i) We will transform the environment, systems and conversations about living well, death and dying; pioneering new models of care

We continued to provide excellent care through our in-patient, community, day therapy and out-reach services. Total beneficiaries for 2024/25 were 2,242 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 2024/25, 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 1,160 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** (Luton) and the **Living Well Centre** (Bedford) are out-patient facilities 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 Wellbeing Centre who offer 1-1 sessions and group care.

The **adult in-patient unit** cared for 68 patients from Luton and south Bedfordshire, providing them with 914 bed nights. Following a period of paused admissions to the inpatient unit from June 2024 due to sudden changing in staffing, we were delighted to be able to lift this pause on 7th October 2024. This was communicated to all colleagues and services and during this period we continued to support our patients with a greater emphasis on supporting our patients in the community. As new members of the team were supported through their probationary periods, we closely monitored patient dependency and activity, and staff skill mix was reviewed daily to ensure that the safety of our patients and the quality of our service was not compromised.

Children's services

A total of 398 children were cared for in 2024/25, 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 389 children and their families with 3978 community visits and telephone calls.

The children's **play and activity** service supported 170 children with programmes of care that included specialist and sensory play, symptom assessment and management, interaction and stimulation.

Throughout 2024/25, the children's **in-patient unit** supported 92 children and their families by providing 206 bed nights. Admissions were for short breaks, symptom control, end-of-life care, perinatal care, crisis care, hospital transition and use of the bereavement suite.

Thirty-eight children received their end-of-life care, being cared for in the place of their and their family's 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 242 adult patients and their families and 80 child patients and their families.

The Charity delivered its adult services contracts in Bedfordshire and its children's services contracts in Bedfordshire, Hertfordshire and Milton Keynes, to the satisfaction of all of our commissioners, who have renewed their contracts for 2024/25 and continue to work in collaboration with the charity.

Keech Hospice 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

A compassionate community model is a public health approach to palliative care.

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.

This work also includes engagement with local authorities, large employers, libraries, other volunteer organisations and public gyms. We now run several death cafes across the area, encouraging conversations about death, dying, care giving and bereavement. The introduction of compassionate neighbours supports this model with members of the public undergoing training to provide time for neighbours that are lonely, isolated and have declining health.

We were delighted to be awarded the Hospice UK inclusivity award for our work with the community.

(ii) We will deliver leading education, innovation and research improving knowledge and skills everywhere, moving towards our aspiration of being a university teaching hospice

The education team are committed to delivering excellent education, training, and development for staff and volunteers and reaching out across Bedfordshire, Luton and Milton Keynes (BLMK) to health and social care professionals, our service-users and within our community. 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.

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 introducing the core knowledge to support palliative patients. Other sessions include Communication, Oncology Series, Verification of Expected Death and roll out an Advance Care Plan training. These positively impact across the sector reaching into a range of settings including Trusts, Hospices and Care Homes. This year we added an inclusive health series, highlighting the needs of marginalised groups in palliative care.

Our training offers also include the Compassionate Communities workshops, encompassing Compassionate Friends and Digital Memories, and expanding our inclusive health series.

The Lecturer Practitioners, now recognised as Academic Fellows, lead bi-monthly evening masterclasses led by internationally recognised palliative specialists and researchers Our study days focussed on the various topics in palliative care of a patient and the latest research. It provides to opportunity to invite specialist speakers across the day. Topics included All Age Palliative Care, Pain, Challenging Conversations and Children's sessions.

We continue to expand our academic connections working with our local colleges, Central Bedfordshire, Barnfield and Bedford College as well as a broad range of universities including Bedfordshire, Hertfordshire, and Cambridge. We are able to offer a range of placements, research opportunities and teaching.

Our work with universities has expanded across the faculties teaching to nursing, paramedic, public health, AHP and social work students. Over the last year we have delivered 30 sessions to 1490 students within Bedfordshire and Hertfordshire.

Our partnership with the university of Bedfordshire is developing our research offer with our involvement in several public health research studies, and NIHR funding has been sought to continue the KEEPNet research. We welcome a second joint funded PHD student who is considering the access to palliative care for the Eastern European Community. A brilliant workshop with academics and clinicians identified many more areas of joint interest.

During 2024/25 we provided **169** internal training sessions reaching **1818** attendees across all our teams. In addition, a range of eLearning opportunities has attracted **3230** enrolments with mandatory training remaining mostly above benchmark. Staff also have access to wider opportunities such as conferences, role specific courses and webinars.

Across the BLMK wider workforce we delivered **212** training sessions reaching **3962** attendees. **1020** of these were university students.

In total we delivered **381** sessions to a total of **5780** attendees plus **3230** enrolments which totals **9011** learning interventions.

Apprenticeship opportunities continue to be available across our teams. Alongside our physical library a new Knowledge Hub is available on SharePoint with 27 topic areas offering a wealth of resources including research papers, videos, and podcasts.

As part of our commitment to the wellbeing of our staff and volunteers our Mental Health Champions have delivered monthly Wellbeing Wednesday session using music, crafts, and games to aid mental wellbeing. Mindfulness session and access to wider support through our Employee Assistance Programme are also available.

Over the last year our Staff Engagement Committee gathered staff feedback, shaping our IT education need, behaviour and culture framework and catering. Our Equity, Diversity and Inclusion (EDI) Group has developed a programme of activities throughout the year including events for Ramadan, Eid, Pride, Neurodiversity and Diwali which has been recognise as best practice and published by Hospice UK on their website and newsletters. It also is working on embedding the principles of EDI into policies and day to day behaviour at Keech Hospice.

(iii) We will drive efficiency and effectiveness to ensure long term financial and environmental sustainability; becoming the charity of choice for our communities

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.

The impact of the cost-of-living crisis and increasing staffing costs has created some challenges throughout 2024/25 although we have seen stable income from fundraising this year. Whilst we understand the reasons for the challenging economic climate, we continue to work diligently to maximise all our revenue streams and are extremely grateful 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 2024/25 was £14,490k (2023/24: £15,402k).

Retail gross income for 2024/25 remained relatively static from prior year. The unstable rag market and subsequent decline in price per kilo, along with 2 temporary shop closures in year (due to extensive flooding) did reduce our income by around £186k.

Retail net profit for 2024/25 did decline as a result of the lower-than-expected income (due to the reasons above) coupled with rising overheads mainly from increased staff salary costs.

Despite all the challenges with regards to the unstable rag market and increased estate overheads retail were pleased with operational progress in year and have plans in place to recover our position in the years ahead. We are 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, with our social return on investment of £7 for every £1 invested.

Income from charitable activities, including statutory income, decreased to £3,841k (2023/24: £4,441k). £755k of this total relates to restricted fundraising donations that could only be spent specifically on our four charitable activities, reduced from £983k in 2023/24. The remaining decrease relates to one-off funding we received from our local Integrated Care Boards in 2023/24 that did not continue in 2024/25.

Total fundraised income from donations and legacies reduced compared with the previous year £3,116k (2023/24: £3,460k). However, 2023/24 included £792k of assets gifted to the charity by North Bedfordshire Hospice Care Ltd following the merger in June 2023. Excluding this one-off gift donations and legacies increased. As detailed above we have received £755k of restricted fundraising donations and these are allocated to our charitable activities' income.

Of total fundraised income £1,301k was received from legacies. This area of income can change significantly from year to year (£1,102k in 2023/24, £1,146k in 2022/23, £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 2024/25 continued to benefit from opportunities to grow our lottery and improve our in-memory offer. Promotion of gifts in wills both externally and internally has been a focus for us this year. We are grateful to a number of individuals that have remembered us with a generous 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.

On behalf of all the adults, children and their families we continue to support, a massive thank you to all our funders and donors.

Sustainability

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.

(iv) We will be impactful with our digital, data and communication approaches, driving change

To ensure our long-term sustainability and that we can continue to grow and strengthen the services we provide to our local community we are focused on developing our voluntary income streams and deepening engagement with donors and stakeholders to increase both our revenue but also our impact.

This year saw the launch of our refreshed brand to reflect the breadth and nature of our services and to better engage our audiences. This included the change of our name from Keech Hospice Care to Keech Hospice to provide greater clarity around our offer, and the launch of a new website. The new brand will continue to be rolled out across the next two years, and we have already seen a significant increase in engagement and visibility since launch in January 2025.

We also delivered our three-year digital strategy to build capability, confidence and capacity in our use and adoption of digital and data tools to drive greater efficiency, effectiveness and value. This includes systems, capabilities and capacity building over the coming three years and central to this is the adoption of a new customer relationship management system in 2025/26.

During the year we appointed a data analyst to our data team, to spearhead greater supporter and donor understanding, utilisation and growth.

Autumn 2024 also saw the launch of our new digital volunteering platform, Volunteero, to support volunteers to self-manage their contribution, support one another and grow our volunteer value. With over 1,500 active volunteers, maximising their contribution is key to our ongoing sustainability.

(v) We will attract, retain and engage the best talent and provide opportunity to develop from the outset, valuing difference.

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.

The charity started the financial year employing 313 members of staff (253 full-time equivalent) and ended the year employing 343 people (278 full time equivalent). An average of 55% of our staff work less than full time.

The growth in staff numbers was largely due to successful recruitment of care staff, with staff numbers growing by 19 in the care areas.

We also are thankful for the support, commitment and dedication of approximately 1,500 volunteers working in different roles across care, retail, fundraising and support functions.

We continue to see growth in our volunteer numbers from approximately 1,400 at the beginning of the year to approximately 1,500 at the end of the year as we progress our Volunteering Strategy. We have also hit the landmark of 1,000 retail volunteers this year for the first time in our history. We have invested in a new Volunteer Management System and successfully migrated our existing data onto the system and have started to train both our managers and the volunteers in its use. Already the new system has improved both the time and the quality of the recruitment and onboarding processes, and once fully engaged it will enhance both our data and our ability to recognise and reward volunteers.

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. We have seen considerable increases in volunteers from ethnically diverse backgrounds as well as increases from younger volunteers and volunteers with disabilities.

During Volunteer Thank You week we ran a programme of events across our geographical area to thank for volunteers for their contribution to Keech as well as an afternoon tea for volunteers hosted at the hospice.

Wellbeing of our staff and volunteers continues to be of the highest priority. Our Mental Health Champions programme continues to grow, 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. We have regular meetings of the champions to ensure that they are supported, and the program is working effectively.

Our Staff Engagement Committee is now embedded in the organisation 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. At each meeting we cover a specific topic and over the last year we have looked at the staff restaurant offering, dress code, values framework, bereavement support for staff, IT and SharePoint, staff learning and development and they also supported us in shaping our very successful all staff event.

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 continue to monitor our pay structures and movement within pay scales and ensured these are now benchmarked with the NHS and other relevant organisations. Our Equality Statement also reflects our intent to be more representative of the communities we serve which is a sentiment that is reflected in our values and underpins behaviours.

Our work with Equity, Diversity and Inclusion continues and our staff EDI group have concentrated their efforts in four areas: data collection, learning and development, communications and embedding inclusion. We also have a calendar of EDI celebrations with a focus on awareness raising and religious festivals including Ramadan, Eid, Diwali and Easter.

Recruitment continues to be a priority in all areas. During the year we embarked on a large recruitment campaign for clinical nursing staff where we were experiencing significant shortages. This was extremely successful, and we were able to recruit to establishment in both 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. Our recruitment system means all applicants are anonymous and we have been awarded our Disability Confident Levels one and two certification and are currently in the process of applying for level 3.

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 subsequently in 2024. This benchmarking was done against a large range of organisations and the NHS for roles at all levels including senior positions. All staff are now on one pay scale (with the exception of doctors who are paid in line with NHS speciality doctor scales). Progression for all staff on the pay scale is linked to a competency-based assessment. All grades may be eligible for an inflationary annual pay award, if this is affordable, and will be based upon continued benchmarking which is agreed by the Board of Trustees following a recommendation from the Remuneration Committee.

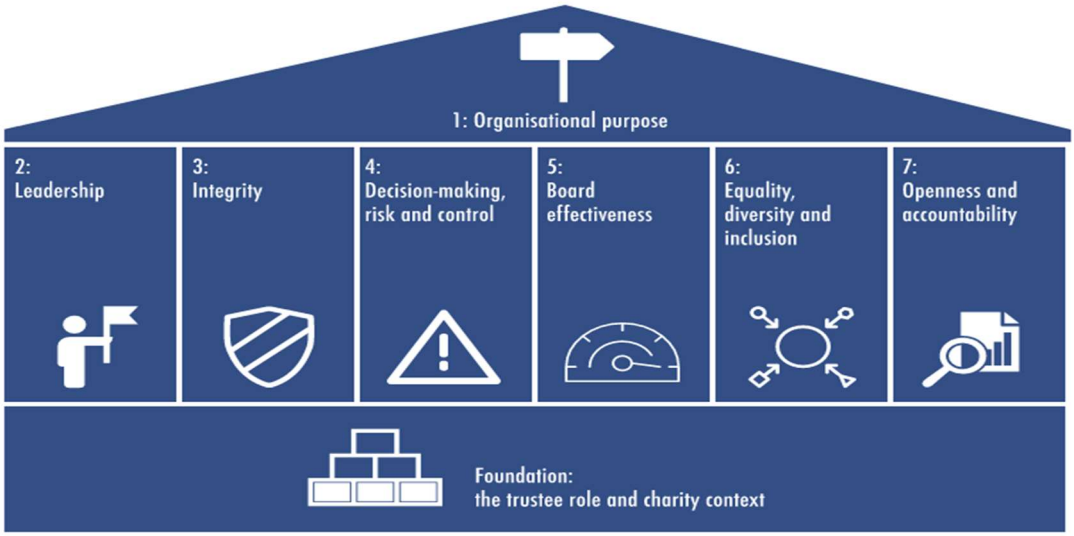
Senior management are also on the pay scale grade system. The Board of Trustees recognises that employment of first-class senior managers is vital if the hospice is to maximise the quality, efficiency and income of the charity and allow us to deliver our purpose. Senior management pay progression is reviewed by the Remuneration Committee as a separate agenda item. 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.

(vi) We will be expertly led, effectively governed, and a values driven learning organisation

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 successfully recruited some new trustees but we also now focusing on how we diversify the Board with Trustees who reflect our community and youth Trustees. During the recent recruitment we have made inroads to this ambition but there is more to do in this area.

We continue to monitor ourselves against The Charity Governance Code and look forward to assessing ourselves against a new, refreshed version due to be launched in 2025.

Home — Charity Governance Code



In June 2024 the Board conducted an external observation of its meetings with complementary feedback. Also during the 2024/25 financial year, we undertook a re-write of our KPIs and dashboards. This work continues as we cascade measures through the organisation.

Assessing performance

The charity produces quarterly corporate and performance dashboards with exception reports, and detailed Board Packs for assurance purposes. Each year we write an impact report shared with the public. (https://keech.org.uk/wp-content/uploads/2025/01/Impact-Report-2024.pdf)

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.

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Financial review

The detailed figures for the year ended 31 March 2025 are set out in the financial statements that follow this Trustees' Report.

Expenditure

Excluding retail spend, expenditure was £10,478,000 (2023: £9,270,000) of which £9,391,000 (89%) was spent on our charitable activities (2023: £8,263,000 / 89%). 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 4.9% more than budgeted for the year but this was driven by investment in our care staffing and additional agreed projects added in year including the brand refresh and a redecoration programme across parts of the Luton and Bedford sites. Careful control and monitoring of costs throughout the year has ensured that excluding these operating costs we operated in line with budget.

The cost of activities for raising funds has increased by 1%. Our trading expenditure increased by 9% which was a combination of increasing costs caused by inflation including staffing costs, together with the full year impact of our expanded retail estate arising from the merger with Bedford Daycare Hospice in June 2023.

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 £14,490,000 (2023: £15,402,000), a decrease of 6%. However, 5% of this decrease represents the £792,000 of assets donated by North Bedfordshire Hospice Care Ltd in June 2023. Group consolidated income for the year is in line with prior years if those assets are excluded for comparison purposes.

Donations and legacies totalled £3,116,000 (2023: £3,460,000) including legacy income of £1,301,000 (2023: £1,102,000). Retail income remained static totalling £5,954,000 (2023: £5,969,000). Income from charitable activities decreased by 14% due to one-off non-recurring funding from local Integrated Care Boards in the prior year and a lower level of restricted fundraising income that we are required to include in charitable activities income rather than donations and legacies.

Funds and reserve transfers

The Consolidated Statement of Financial Activities on page 36 shows a decrease in funds (deficit) of £1,984,000 and £168,000 relates to an unrealised investment loss caused by significant stock market turmoil surrounding the US tariff policy. The investment portfolio has recovered to previous levels during the first few months of 2025/26.

Unrestricted and undesignated funds have decreased by £504,000 to £6,934,000 which is within in the target set in the Reserves Policy (see below).

We have transferred £2,000,000 to our general fund from 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 2025 are £19,159,000 which includes group cash balances of £3,142,000. The carrying value of our fixed assets has increased by £328,000 which represents completion of our capital investments made to our hydrotherapy pool changing rooms and IT infrastructure together with expenditure driven by the Department of Health and Social Care capital grant. Investment in capital equipment has remained in line with budget.

Further details of the funds analysis can be found in notes 21, 22, 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. The costs of fundraising and trading are excluded as the charity expects the income from these areas to always cover their costs.

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 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 2025/26, the policy target range is between £5.512m and £8.269m. 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 2025, the unrestricted undesignated reserves (free reserves) decreased to £6.934m, representing 7.5 months of 2025/26 budgeted operating costs less the budgeted direct costs of fundraising and trading. This is in line with our reserves target. A deficit budget has been set for 2025/26, and we expect our unrestricted undesignated reserves to be within the reserves target range at the end of 2025/26.

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, 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. An emerging risk register is also completed and reviewed.

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. We also maintain and review an emerging risk log which includes issues that are perceived to be potentially significant but may not be fully understood and assessed. This satisfies the trustees that adequate controls and procedures are in place to mitigate these risks. The Audit & Risk Committee also submits a formal annual report to the trustees.

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

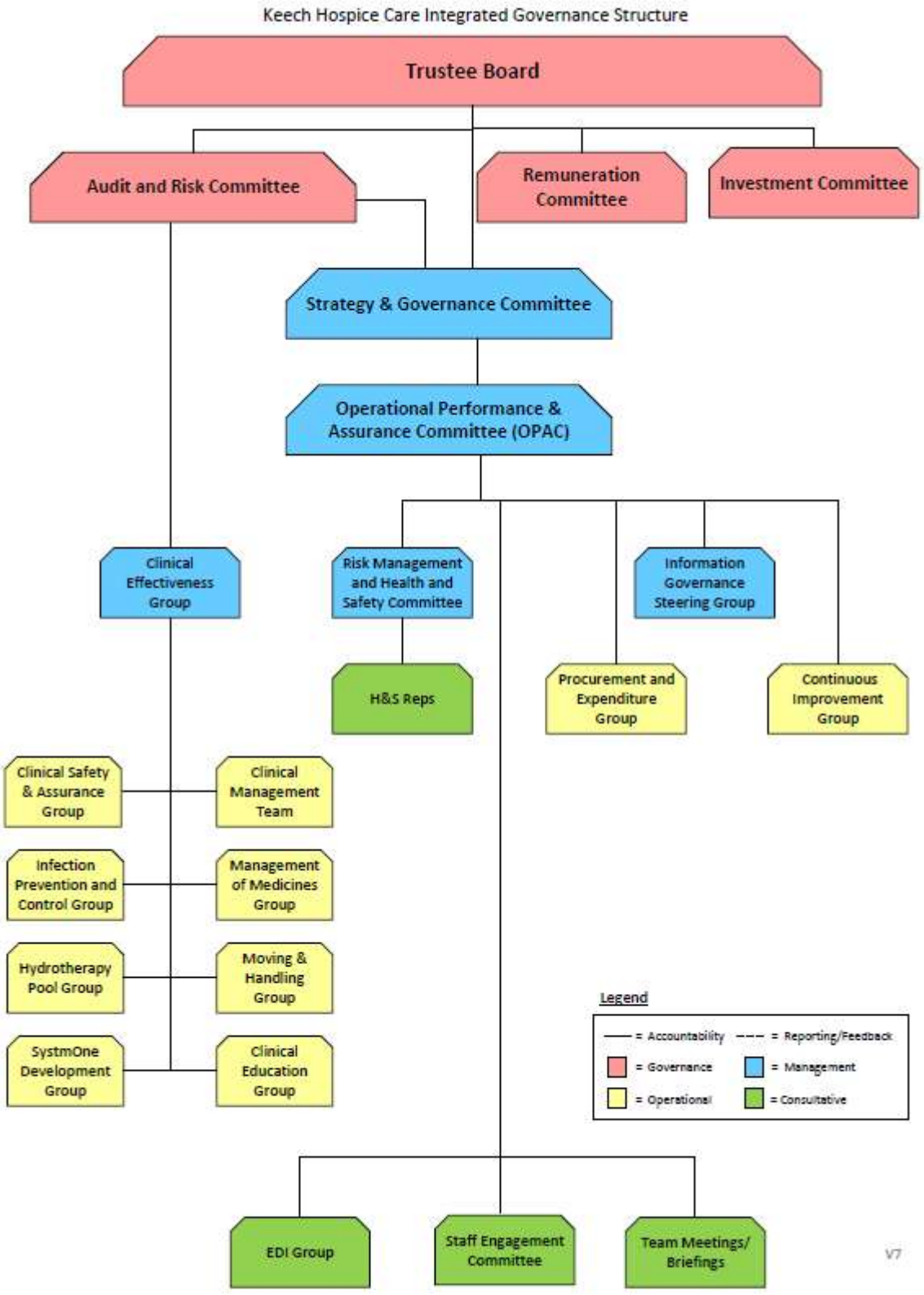
Principal risks and uncertainties

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

- **clinical risk** in the form of a major adverse clinical event

- **financial risk** arising from unplanned and/or unavoidable substantial expenditure or substantial reduction in fundraising and/or retail and/or statutory funding, or as a result of poor budgetary control or fraud
- **information technology risk** due to the system not being fit for purpose and outdated, a breach of data protection law, a failure of back-up procedures or an external cyber-attack on our systems

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
Trustee Board
Audit and Risk Committee
Remuneration Committee
Investment Committee
Strategy & Governance Committee
Operational Performance & Assurance Committee (OPAC)
Clinical Effectiveness Group
Risk Management and Health and Safety Committee
Information Governance Steering Group
H&S Reps
Procurement and Expenditure Group
Continuous Improvement Group
Clinical Safety & Assurance Group
Clinical Management Team
Infection Prevention and Control Group
Management of Medicines Group
Hydrotherapy Pool Group
Moving & Handling Group
SystmOne Development Group
Clinical Education Group
Legend
= Accountability
= Reporting/Feedback
= Governance
= Management
= Operational
= Consultative
EDI Group
Staff Engagement Committee
Team Meetings/ Briefings
V7

Fundraising practice

Keech Hospice 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 third-party 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).

Future activities

The Trustees and senior leaders are ambitious for the future of Keech Hospice. 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 will further improve our understanding of our diverse community through the community connector 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 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.

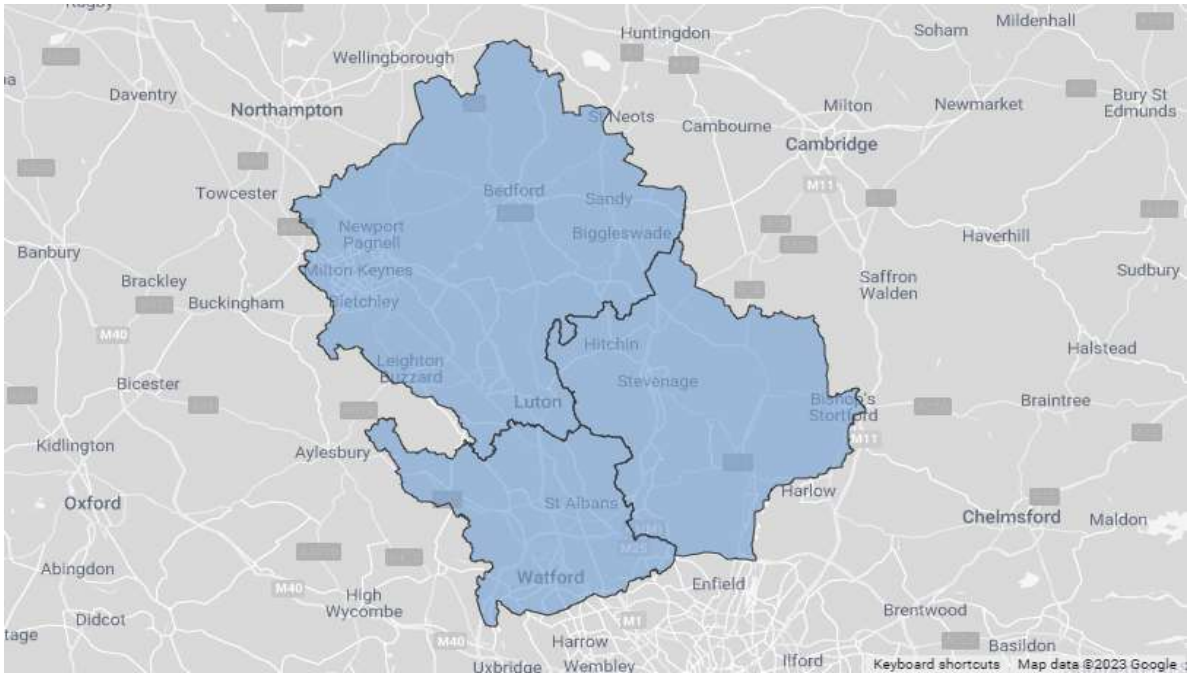
HospiceUK wrote their Future Vision Programme, below, outlining considerations for hospices in future strategy and direction. The report draws together the views of all stakeholders in exploring future sustainability within the sector. They asked them to suggest ways in which Hospices might collaborate, 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.

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/

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.**

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.

The Trustees' Annual Report, which incorporates the Strategic Report was approved by the trustees on 25 September 2025, and is signed as authorised on its behalf by:

Simon Ogden
Chair of Trustees and Director
Keech Hospice

Independent Auditor's Report to the members of Keech Hospice

Opinion

We have audited the financial statements of Keech Hospice for the year ended 31 March 2025 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 2025 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.

Kathryn Burton (Senior Statutory Auditor)
For and on behalf of HaysMac LLP, Statutory Auditor
Date: 9th October 2025

10 Queen Street Place
London
EC4R 1AG

KEECH HOSPICE

Consolidated Statement of Financial Activities

(including Income & Expenditure Account)

for the year ended 31 March 2025

		2025			2024		
		Unrestricted	Restricted	**Total**	Unrestricted	Restricted	Total
	Notes	£'000	£'000	**£'000**	£'000	£'000	£'000
Income from:							
Donations and legacies	4	2,124	992	**3,116**	3,341	119	3,460
Charitable activities	9						
Adults Service		1,510	202	**1,712**	1,487	237	1,724
Children's Services		644	1,395	**2,039**	916	1,166	2,082
Supportive care		31	51	**82**	31	488	519
Educate and communicate		4	4	**8**	115	1	116
Total charitable activities		2,189	1,652	**3,841**	2,549	1,892	4,441
Other trading income							
Trading income	8	138	2	**140**	128	2	130
Charitable trading income		210	-	**210**	190	-	190
Lottery income		569	121	**690**	568	87	655
Retail income		4,700	1,254	**5,954**	4,708	1,261	5,969
		5,617	1,377	**6,994**	5,594	1,350	6,944
Investment income	7	488	-	**488**	471	-	471
Other Operating Income	6	51	-	**51**	86	-	86
Total income		**10,469**	**4,021**	**14,490**	12,041	3,361	15,402
Expenditure on:							
Raising funds		1,000	87	**1,087**	933	75	1,008
Charitable activities							
Adults Service		3,620	394	**4,013**	3,283	203	3,486
Children's Services		721	2,374	**3,095**	1,368	1,559	2,927
Supportive care		1,143	72	**1,215**	1,005	71	1,076
Educate and communicate		1,063	4	**1,067**	772	2	774
Total charitable activities		6,547	2,844	**9,391**	6,428	1,835	8,263
Trading expenditure		5,169	659	**5,828**	4,570	790	5,360
Total expenditure	10	**12,716**	**3,590**	**16,306**	11,931	2,700	14,631
Net income for the year		(2,247)	431	**(1,816)**	110	661	771
Gain / (Loss) on investment assets	17	(168)	-	**(168)**	295	-	295
Transfers between funds	26	466	(466)	**(0)**	253	(253)	-
Net movement in funds		(1,949)	(35)	**(1,984)**	658	408	1,066
Reconciliation of funds							
Total funds brought forward	26	20,396	747	**21,143**	19,738	339	20,077
Total funds carried forward	26	**18,447**	**712**	**19,159**	20,396	747	21,143

The results are derived from continuing activities. All gains and losses recognised in the year are included above. The deficit for the year comprises the net loss for the year and was £1,984,000 (2024: £1,066,000 surplus).

The accompanying notes on pages 38-57 form an integral part of this consolidated statement of financial activities.

Balance Sheet
as at 31 March 2025
Company number: 2904446

	Notes	Group 2025 £'000	Charity 2025 £'000	Group 2024 £'000	Charity 2024 £'000
FIXED ASSETS					
Tangible assets	16	8,513	8,513	7,957	7,957
Investments	17	5,134	5,134	5,362	5,362
Investment Property	17	191	191	191	191
		13,838	**13,838**	13,510	13,510
CURRENT ASSETS					
Stocks	18	20	-	18	-
Debtors	19	2,263	2,315	1,611	1,644
Cash at bank and in hand		3,142	3,104	6,532	6,512
Short-term deposits		560	560	533	533
		5,985	**5,979**	8,694	8,689
CREDITORS: amounts falling due within one year	20	(664)	(658)	(1,061)	(1,056)
Net current assets		**5,321**	**5,321**	7,633	7,632
Net assets	22	**19,159**	**19,159**	21,143	21,143
FUNDS					
Unrestricted funds					
General fund		6,934	6,934	7,438	7,438
Designated funds		11,513	11,513	12,958	12,958
Total unrestricted funds		18,447	18,447	20,396	20,396
Restricted funds		712	712	747	747
TOTAL FUNDS	26	**19,159**	**19,159**	21,143	21,143

The parent charity's gross income for the year was £14,350,000 (2024: £15,272,000) and the net result for the year was £2,043,000 deficit (2024: £1,009,000 surplus)

The financial statements on pages 35-57 were approved and authorised for issue by the trustees on 25 September 2025 and signed on their behalf by:

Simon Ogden
Chair of Trustees

KEECH HOSPICE

Consolidated Statement of Cash Flows

for the year ended 31 March 2025

	2025 £'000	2025 £'000	2024 £'000	2024 £'000
Cash flows from operating activities				
Net income (expenditure) for the year		(1,985)		1,066
Investment income		(488)		(471)
Depreciation charges		542		507
(Profit) loss on sale of fixed assets		-		(8)
Decrease / (increase) in stock		(2)		(3)
(Increase) / decrease in debtors		(652)		(197)
Increase / (decrease) in creditors		(397)		(90)
Losses/(Gain) on investments		168		(295)
Net cash provided by (used in) operating activities		**(2,814)**		509
Cash flows from investing activities				
Payments to acquire tangible fixed assets	(1,097)		(748)	
Purchase of investments	60		(3,081)	
Purchase of investment property	-		(191)	
Bank interest received	245		245	
Investment income	243		226	
		(549)		(3,549)
Cashflows from financing activities				
Repayment of long-term debt				-
Increase/(decrease) of cash in the year		**(3,363)**		(3,040)
Cash at 1 April		7,065		10,105
Increase/(decrease) of cash in the year		(3,364)		(3,040)
Cash at 31 March		**3,701**		7,065

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 (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.

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.

Investment Properties

Investment properties are included at fair value at the balance sheet date and were based on a RICS valuation undertaken in 2023. Trustees are not aware of any impairment or change in value.

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 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 2025, the number of such guarantees was 11 (2024: 9).

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 £292,939 (2024: £156,961) of income that was within this 21-day timeframe so could potentially be asked to be returned. The accounts also include the £72,356 (2024: £39,240) of gift aid that is recoverable on these donations. At the date of signing the accounts, this timeframe had elapsed and £Nil (2024: £Nil) of this income had been returned to donors.

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

	Unrestricted Funds £'000	Restricted Funds £'000	**Total 2025 £'000**
Individual donations and gifts	788	5	**793**
Corporate donations	136	0	**136**
Events	330	2	**333**
Trusts and grants	321	232	**553**
Legacies	548	753	**1,301**
Total donations and legacies	**2,124**	**992**	**3,116**

Included in donations and legacies are £9,620 (2024: £26,881) of gifts in kind.

(b) Donations and legacies (prior year)

	Unrestricted Funds £'000	Restricted Funds £'000	**Total 2024 £'000**
Individual donations and gifts	835	80	**915**
Corporate donations	116	-	**116**
Events	283	-	**283**
Trusts and grants	249	3	**252**
Legacies	1,066	36	**1,102**
Assets donated by North Bedfordshire Hospice Care Ltd	792	-	**792**
Total donations and legacies	**3,341**	**119**	**3,460**

5. Grants received

	2025 £'000	2024 £'000
Grant contribution funded by NHS England - Children's Hospice Grant	840	821
	840	821

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

6. Other Operating Income

	Unrestricted Funds 2025 £'000	Restricted Funds 2025 £'000	Total 2025 £'000	Unrestricted Funds 2024 £'000	Restricted Funds 2024 £'000	Total 2024 £'000
Insurance Claim Proceeds	-	-	-	-	-	-
Reimbursements	2	-	**2**	39	-	39
Sundry Income	49	-	**49**	47	-	47
	51	-	**51**	86	-	86

7. Investment Income

	Unrestricted Funds 2025 £'000	Restricted Funds 2025 £'000	Total 2025 £'000	Unrestricted Funds 2024 £'000	Restricted Funds 2024 £'000	Total 2024 £'000
Listed investments	243	-	**243**	226	-	226
Interest receivable from bank deposits	245	-	**245**	244	-	244
	488	-	**488**	470	-	470

8. (a) Activities for generating funds (current year)

Trading operations and related companies

From 1 April 2010, the charity has traded through Keech Hospice (Trading) Ltd (company number 06941924), a company limited by shares registered in England and Wales as a wholly owned trading subsidiary of Keech Hospice. 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 (Trading) Ltd and Pasque Charity (Trading) Limited have the same registered office as Keech Hospice.

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 (Trading) Ltd and Pasque Charity (Trading) Limited is shown below. The directors of both companies are Geoff Lambert, Peter Cannon and the Executive Director of Finance and Corporate Services.

	Keech Hospice Care Trading 2025 £'000	Pasque Charity (Trading) 2025 £'000	Total 2025 £'000
Turnover			
Sale of bought-in goods	94	-	**94**
Conference sales	3	-	**3**
Corporate fundraising agreements	2	-	**2**
Catering sales	41		**41**
	140	-	**140**
Cost of sales and administrative expenses			
Unrestricted	(81)	-	**(81)**
Governance	-	-	-
Amounts gift aided to Keech Hospice Care	(59)	-	**(59)**
	-	-	-
The aggregate of the assets, liabilities and funds was:			
Assets	40	19	59
Liabilities	(40)	(19)	**(59)**
Funds	**0**	- **0**	**0**

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 £16,338 (2024: £14,406) from the parent charity.

(b) Activities for generating funds (prior year)

	Keech Hospice Care Trading 2024 £'000	Pasque Charity (Trading) 2024 £'000	Total 2024 £'000
Turnover			
Sale of bought-in goods	88	-	**88**
Conference sales	5	-	**5**
Corporate fundraising agreements	2	-	**2**
Catering sales	34		**34**
	130	-	**130**
Cost of sales and administrative expenses			
Unrestricted	(74)	-	**(74)**
Governance	-	-	-
Amounts gift aided to Keech Hospice Care	(56)	-	**(56)**
	-	-	**0**
The aggregate of the assets, liabilities and funds was:			
Assets	28	12	**40**
Liabilities	(28)	(12)	**(40)**
Funds	**0**	- **0**	**0**

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

	Unrestricted Funds £'000	Restricted Funds £'000	**Total 2025 £'000**
Core NHS agreements	921	-	**921**
Local Authority & NHS agreements for specific care	0	-	**0**
Specialist palliative care payments for specific purposes	589	-	**589**
Statutory contributions to pension costs	-	24	**24**
Incoming resources from charitable activities	-	-	-
Restricted Donations	-	178	**178**
Subtotal for the Adults Service	1,510	202	**1,712**
Core NHS agreements	509	-	**509**
Local Authority & NHS agreements for specific care	-	-	-
Specialist palliative care payments for specific purposes	135	-	**135**
Statutory contributions to pension costs	-	22	**22**
Grant contribution funded by NHS England - Children's Hospice Grant	-	840	**840**
Restricted Donations	-	534	**534**
Subtotal for the Children's Services	644	1,395	**2,039**
Core NHS agreements	30	-	**30**
Local Authority & NHS agreements for specific care	-	-	-
Specialist palliative care payments for specific purposes	1	-	**1**
Statutory contributions to pension costs	-	8	**8**
Restricted Donations	-	43	**43**
Subtotal for Supportive Care	31	51	**82**
Core NHS agreements	-	-	-
Local Authority & NHS agreements for specific care	-	-	-
Specialist palliative care payments for specific purposes	-	-	-
NHS Funding for Education Purposes	4	-	**4**
Statutory contributions to pension costs	-	4	**4**
Restricted Donations	-	-	-
Subtotal for Educate and Communicate	4	4	**8**
Total income from charitable activities	2,189	1,652	**3,841**
Total restricted donations	-	(755)	**(755)**
Total statutory income	2,189	897	3,086

(b) Income from charitable activities (prior year)

	Unrestricted Funds £'000	Restricted Funds £'000	**Total 2024 £'000**
Core NHS agreements	741	-	**741**
Local Authority & NHS agreements for specific care	183	-	**183**
Specialist palliative care payments for specific purposes	563	36	**599**
Statutory contributions to pension costs	-	22	**22**
Incoming resources from charitable activities	-	-	**-**
Restricted Donations	-	179	**179**
Subtotal for the Adults Service	1,487	237	**1,724**
Core NHS agreements	615	-	**615**
Local Authority & NHS agreements for specific care	62	-	**62**
Specialist palliative care payments for specific purposes	239	-	**239**
Statutory contributions to pension costs	-	22	**22**
Grant contribution funded by NHS England - Children's Hospice Grant	-	822	**822**
Restricted Donations	-	322	**322**
Subtotal for the Children's Services	916	1,166	**2,082**
Core NHS agreements	30	-	**30**
Local Authority & NHS agreements for specific care	-	-	**-**
Specialist palliative care payments for specific purposes	1	-	**1**
Statutory contributions to pension costs	-	7	**7**
Restricted Donations	-	481	**481**
Subtotal for Supportive Care	31	488	**519**
Core NHS agreements	-	-	**-**
Local Authority & NHS agreements for specific care	110	-	**110**
Specialist palliative care payments for specific purposes	3	-	**3**
NHS Funding for Education Purposes	2	-	**2**
Statutory contributions to pension costs	-	1	**1**
Restricted Donations	-	-	**-**
Subtotal for Educate and Communicate	115	1	**116**
Total income from charitable activities	2,549	1,892	**4,441**
Total restricted donations	-	(983)	**(983)**
Total statutory income	2,549	909	3,458

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

	Staff costs £'000	Other Direct costs £'000	Deprec-iation £'000	Support costs £'000	Gover-nance £'000	**2025 Total £'000**	2024 Total £'000
Cost of generating funds							
Fundraising	691	329	5	52	9	**1,087**	1,008
Trading	3,153	2,177	100	340	59	**5,828**	5,361
Total cost of generating funds	**3,844**	**2,507**	**105**	**391**	**69**	**6,915**	**6,369**
Cost of charitable activities							
Adult hospice	2,766	550	144	511	41	**4,013**	3,486
Children's hospice	2,151	426	144	345	28	**3,095**	2,927
Supportive Care	941	179	4	78	14	**1,215**	1,076
Educate and Communicate	738	265	0	55	10	**1,067**	774
Total cost of charitable activities	**6,596**	**1,421**	**293**	**990**	**92**	**9,391**	**8,263**
Governance costs	68	86	2	6	(161)	-	-
Support costs	479	765	142	(1,386)	0	-	-
Total Expenditure	**10,986**	**4,779**	**542**	**0**	**(0)**	**16,306**	**14,632**
Total Expenditure (prior year)	**9,430**	**4,695**	**507**	**0**	**(0)**	**14,632**	**14,632**

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

	Allocation basis	**2025 £'000**	2024 £'000
Facilities and services	Time and Headcount	572	452
Management, HR, Finance, Admin, IT, Marketing &	Headcount	815	737
Total support costs		**1,386**	1,189

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	2024 Total £'000
Cost of generating funds						
Fundraising	592	355	1	50	10	**1,008**
Trading	2,758	2,124	103	316	60	**5,361**
Total cost of generating funds	**3,350**	**2,479**	**104**	**366**	**70**	**6,369**
Cost of charitable activities						
Adult hospice	2,326	574	134	415	37	**3,486**
Children's hospice	1,950	524	137	289	27	**2,927**
Supportive Care	834	157	1	71	13	**1,076**
Educate and Communicate	494	229	-	43	8	**774**
Total cost of charitable activities	**5,604**	**1,484**	**272**	**818**	**85**	**8,263**
Governance costs	61	89	0	5	(155)	-
Support costs	415	643	131	(1,189)	-	-
Total Expenditure	**9,430**	**4,695**	**507**	**0**	**-**	**14,632**
Total Expenditure (prior year)	**7,954**	**3,727**	**495**	**-**	**(0)**	**12,176**

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

	Allocation basis	2024 £'000
Facilities and services	Time and Headcount	452
Management, HR, Finance, Admin, IT, Marketing and	Headcount	737
Total support costs		**1,189**

11. Analysis of staff costs

	2025 £'000	2024 £'000
Wages and salaries	9,545	8,204
Social security costs	812	693
Employer's contribution to defined contribution pension schemes	629	533
	10,986	9,430

During the year, no employees were made redundant with redundancy payments totalling £Nil being made (In 2024, no employees were made redundant with redundancy payments totalling £Nil).

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

	2025 Number	2024 Number
£60,000 - £69,999	9	2
£70,000 - £79,999	2	2
£80,000 - £89,999	-	1
£90,000 - £99,999	1	-
£100,000-£109,999	1	-
£110,000-£119,999	-	1
	13	6

As detailed on Page 20, our Pay Policy allows all staff to progress on a pay-scale linked to a competency-based assessment. All staff may also be eligible for an inflationary annual pay award. The increase from 6 staff members to 13 staff members above is a result of 7 staff members, who previously sat below £60k, moving above £60k due to pay-scale progression and/or and inflationary pay award.

Nine of the employees included in the bandings above £60,000 have retirement benefits accruing under a defined contribution scheme (2024: four members). Payments to defined contribution schemes in the year in respect of those employees included in the bandings above £60,000 totalled £36,825 (2024: £12,344).

The hospice considers that the key management personnel comprise the trustees (who are unpaid) and the Executive Directors. Total employee benefits of the Executive Directors was £420,249 (2024: £423,054).

12. Staff numbers

The average monthly headcount (including bank staff) was 361 (2024: 319) and analysis of the employees by function was:

	2025		2024	
	Actual number	Full-time equivalent	Actual number	Full-time equivalent
Adults Service	71	63	60	53
Children's Services	47	41	45	39
Supportive Care	28	19	24	17
Fundraising	21	19	20	18
Trading	124	96	109	87
Facilities and services	17	10	15	10
Management, HR, Finance, Administration and IT	48	43	43	39
Public Relations and Communications	5	5	3	3
	361	297	319	267

The hospice had an average of 1,650 volunteers during the year (2024: 1,384), of which 1,180 (2024: 948) worked in our retail operations and 470 (2024: 436) 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 £343,000 (2024: £296,000). Contributions outstanding at the year-end totalled £10,000 (2024: £58,000).

Contributions to the National Health Service Pension Scheme for the period were £286,000(2024: £237,000) and the agreed contribution rate was 14.3%. Contributions outstanding at the year-end totalled £41,000 (2024: £33,000).

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 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 2025/26 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:

	2025	2024
	£'000	£'000
Auditor's remuneration - Audit Fee (Group)	29	27
Operating lease rentals - land and buildings	904	881
Operating lease rentals - Other	61	66
Depreciation	542	507

15. Trustees' remuneration and expenses

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

One trustee received reimbursement of expenses of £242 during the year in their role as trustee (2024: one trustee received reimbursement of expenses of £40).

Trustees made voluntary donations totalling £426 during the year (2024: £1,445).

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 2024	10,950	1,880	500	876	1,709	70	315	**16,300**
Additions	605	178	78	334	215	-	(313)	**1,097**
Disposals							-	-
At 31 March 2025	**11,555**	**2,058**	**578**	**1,210**	**1,924**	**70**	**2**	**17,397**
Depreciation								
At 1 April 2024	3,999	1,706	455	779	1,354	49	-	**8,342**
Charge for year	227	69	34	68	140	4		**542**
Disposals								-
At 31 March 2025	**4,226**	**1,775**	**489**	**847**	**1,494**	**53**	-	**8,884**
Net book value								
At 31 March 2025	**7,329**	**283**	**89**	**363**	**430**	**17**	**2**	**8,513**
At 1 April 2024	6,951	174	45	97	355	21	315	**7,957**

All of the above assets are used for charitable purposes.

17. Fixed Asset Investments (Charity and Group)

	Unrestricted Funds £'000	Restricted Funds £'000	**Total 2025 £'000**	Unrestricted Funds £'000	Restricted Funds £'000	Total 2024 £'000
Group and Charity						
Market value as at 1 April	5,362	-	**5,362**	1,986	-	1,986
Purchases, additions and sale of fixed asset investments	(60)	-	**(60)**	3,081	-	3,081
Realised Gain/(Loss)	-	-	-	-	-	-
Unrealised Gain/(Loss) on Investment	(168)	-	**(168)**	295	-	295
Market value as at 31 March	**5,134**	-	**5,134**	5,362	-	5,362
Historical cost as at 31 March	5,134	-	**5,134**	5,362	-	5,362

18. Stock

	Group 2025 £'000	**Charity 2025 £'000**	Group 2024 £'000	Charity 2024 £'000
Goods for resale	**20**	-	18	-

19. Debtors

	Group 2025 £'000	Charity 2025 £'000	Group 2024 £'000	Charity 2024 £'000
Trade debtors	46	46	62	62
Amounts owed by related undertaking	0	53	-	34
Other debtors	231	231	302	302
Prepayments and accrued income	1,986	1,985	1,247	1,246
	2,263	2,315	1,611	1,644

20. Creditors: amounts falling due within one year

	Group 2025 £'000	Charity 2025 £'000	Group 2024 £'000	Charity 2024 £'000
Trade creditors	181	181	379	379
Other creditors	52	52	96	96
Accruals and deferred income	431	425	586	581
	664	658	1,061	1,056

Movement on deferred income during the year:

	Group 2025 £'000	Charity 2025 £'000	Group 2024 £'000	Charity 2024 £'000
Balance at the beginning of the year	94	94	509	509
Amount released to income in the year	(68)	(68)	(447)	(447)
Amount deferred in the year	43	43	32	32
Balance at the end of the year	68	68	94	94

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 net assets (current year – Group and Charity)

	General Funds £'000	Designated Funds £'000	Restricted Funds £'000	Total £'000
Tangible assets	-	8,513	-	**8,513**
Investments	2,135	3,000	-	**5,134**
Investment Property	191	-	-	**191**
Net current assets	4,608	-	712	**5,321**
	6,934	**11,513**	**712**	**19,159**

22. Analysis of net assets (prior year)

	General Funds £'000	Designated Funds £'000	Restricted Funds £'000	**Total £'000**
Tangible assets	-	7,957	-	**7,957**
Investments	362	5,000	-	**5,362**
Investment Property	191	-	-	**191**
Net current assets	6,884	-	747	**7,631**
	7,438	**12,957**	**747**	**21,142**

23. Financial commitments

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

Group and charity	**2025**		2024	
	Land and buildings	**Other**	Land and buildings	Other
	£'000	**£'000**	£'000	£'000
Expiry date:				
Within one year	796	18	663	34
1-5 years	1,465	26	1,320	44
Over five years	-	-	-	-
	2,261	**44**	1,983	78

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

24. Related parties transactions

Keech Hospice (Trading) Ltd, a wholly owned subsidiary of the charity, was charged by the charity, during the period, a management fee of £12,532 (2024: £10,809) and a fee for the use of the charity's logo, name and data of £3,806 (2024: £3,596). The company has made a charitable donation of its taxable profits of £58,829(2024: £55,988) to the charity. At 31 March 2025, the company owed £34,327 (2024: £22,323) 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 2025, the company owed £18,660 (2024: £11,677) to the charity.

There are no additional related party transactions to disclose for 2025 (2024: none).

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

25. 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	7,438	10,469	(12,110)	(168)	1,305	**6,934**
Designated funds						
- Building Improvements and Infrastructure Fund	925	-	(0)	-	(400)	**525**
- Legacy Equalisation	1,500	-	-	-	(500)	**1,000**
- IT and Digital Innovation	225	-	(61)	-	(139)	**25**
- Environmental Investment	500	-	-	-	(100)	**400**
- Service and Innovation Development	1,600	-	(3)	-	(697)	**900**
- Retail Infrastructure	250	-	-	-	(100)	**150**
- Tangible fixed assets	1,007	-	(315)	-	492	**1,184**
- Building assets fund	6,950	-	(227)	-	605	**7,329**
Total designated funds	**12,958**	-	**(606)**	-	**(839)**	**11,513**
Total unrestricted funds	**20,396**	**10,469**	**(12,716)**	**(168)**	**466**	**18,447**
Restricted funds						
Adult revenue fund	-	260	(260)	-	-	-
Hospice at Home	8	1	7	-	-	**16**
Adult social work fund	1	-	-	-	-	**1**
Adult Living Appeal	-	0	-	-	-	**0**
Adult activity funds	31	114	(110)	-	(17)	**19**
Children's revenue fund	-	2,127	(2,127)	-	-	-
Children's complementary therapy	15	-	(3)	-	-	**12**
Children's development board	-	0	(0)	-	-	-
Children's minibus provision	-	-	-	-	-	-
Children's investments	1	-	-	-	-	**1**
Children's activity funds	65	234	(61)	-	(25)	**214**
Children's courtyard capital project	49	-	(1)	-	(19)	**29**
Pension contribution	-	57	(57)	-	-	-
Children's nursing salaries	56	77	(56)	-	-	**77**
Other activity funds	75	60	(59)	-	(1)	**75**
Children's capital projects	346	-	(4)	-	(172)	**170**
Adult capital projects	61	40	(18)	-	(42)	**41**
Parking capital project	-	-	-	-	-	-
Capital projects - Both	39	20	(1)	-	-	**58**
Hydrotherapy Pool Appeal	-	-	-	-	-	-
DHSC Capital Grant	-	190	-	-	(190)	-
NHS England Grant	-	840	(840)	-	-	-
Children's day care capital project	-	-	-	-	-	-
Total restricted funds	**747**	**4,021**	**(3,590)**	-	**(466)**	**712**
Total funds	**21,143**	**14,490**	**(16,306)**	**(168)**	**(0)**	**19,159**

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.
DHSC Capital Grant	Funds provided by the Department of Health and Social Care for capital projects during the year ended 31 March 2025
NHS England Grant	Funds received from NHSE to children's hospices for financial year 2025/2026.

26. Consolidated statement of funds (prior year)

	Funds Brought Forward £'000	Income £'000	Expenditure £'000	Investment Gains £'000	Transfers Between Funds £'000	Funds Carried Forward £'000
Unrestricted funds						
General fund	6,281	12,041	(11,338)	295	159	**7,438**
Designated funds						
- Building Improvements and Infrastructure Fund	1,100	-	-	-	(175)	**925**
- Legacy Equalisation	1,500	-	-	-	-	**1,500**
- IT and Digital Innovation	350	-	(50)	-	(75)	**225**
- Environmental Investment	500	-	(3)	-	3	**500**
- Service and Innovation Development	2,000	-	(99)	-	(301)	**1,600**
- Retail Infrastructure	300	-	-	-	(50)	**250**
- Tangible fixed assets	662	-	(222)	-	568	**1,007**
- Building assets fund	7,045	-	(219)	-	124	**6,950**
Total designated funds	**13,457**	-	**(593)**	-	**94**	**12,958**
Total unrestricted funds	**19,738**	**12,041**	**(11,931)**	**295**	**253**	**20,396**
Restricted funds						
Adult revenue fund	-	51	(51)	-	-	-
Hospice at Home	9	18	(19)	-	-	**8**
Adult social work fund	1	-	-	-	-	**1**
Adult Living Appeal	-	-	-	-	-	-
Adult activity funds	33	142	(138)	-	(6)	**31**
Children's revenue fund	-	1,544	(1,544)	-	-	-
Children's complementary therapy	13	5	(3)	-	-	**15**
Children's development board	-	-	-	-	-	-
Children's minibus provision	-	-	-	-	-	-
Children's investments	1	-	-	-	-	**1**
Children's activity funds	66	37	(37)	-	(1)	**65**
Children's courtyard capital project	22	34	-	-	(7)	**49**
Pension contribution	-	53	(53)	-	-	-
Children's nursing salaries	-	56	-	-	-	**56**
Other activity funds	95	17	(27)	-	(10)	**75**
Children's capital projects	96	443	(7)	-	(186)	**346**
Adult capital projects	-	61	-	-	-	**61**
Parking capital project	-	-	-	-	-	-
Capital projects - Both	3	79	-	-	(43)	**39**
Hydrotherapy Pool Appeal	-	-	-	-	-	-
NHS England Grant	-	821	(821)	-	-	-
Children's day care capital project	-	-	-	-	-	-
Total restricted funds	**339**	**3,361**	**(2,700)**	-	**(253)**	**747**
Total funds	**20,077**	**15,402**	**(14,631)**	**295**	**0**	**21,143**

27. 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.

Keech Hospice

England & Wales - Charity number 1035089

Accounts

Report and Financial Statements

Year ended 31 March 2024

Keech hospice care

Company No. 2904446
Registered Charity No. 1035089

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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 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 in 1991, 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

We are the children's hospice for Bedfordshire, Hertfordshire and Milton Keynes, and the adult hospice for Luton and Bedfordshire.

Adult service

Children's service

Trustees, officers and professional advisors

Served in the year and up to 25 September 2024

Trustees

Simon Ogden (Chair)
Patricia Norman (Vice Chair)
Peter Cannon
Miriam Heyes
Jeffrey Lustig
Michael McMahon
Judith Greevy (appointed on 4 October 2023)
Debra Smith (appointed on 4 October 2023)
Iain Malcolm (Treasurer) (appointed on 17 November 2023)
Clive Medlam (Chair) (resigned on 4 October 2023)
Karen Proctor (Vice Chair) (resigned on 4 October 2023)
Frank Dalton (Treasurer) (resigned on 17 November 2023)
Chandra Shekar (resigned on 21 July 2023)

Audit and Risk Committee

Geoff Lambert (Chair and Independent Member)
Judith Greevy
Debra Smith
Iain Malcolm
Jeffrey Lustig
Pam Garraway (Independent Member)

Trading companies

Pasque Charity (Trading) Limited	Geoff Lambert (Chair)
Keech Hospice Care (Trading) Limited	Geoff Lambert (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	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
Associate Director Integrated Governance & Improvement	Paula Welsh
Associate Director Patient Services (Supportive Care & Social Work)	Clare Burden

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 2024. 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 2024, which should be read in conjunction with the Strategic Report.

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 Bedfordshire for adults and their families and 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 Bedfordshire in the Luton site Wellbeing Centre and dedicated facilities in Bedford;
- 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, 2023/24 was again a challenging year, significantly affected by the recovery from the pandemic with reduced support for fundraising activity. However, whilst fundraising has been challenging, 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. 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.

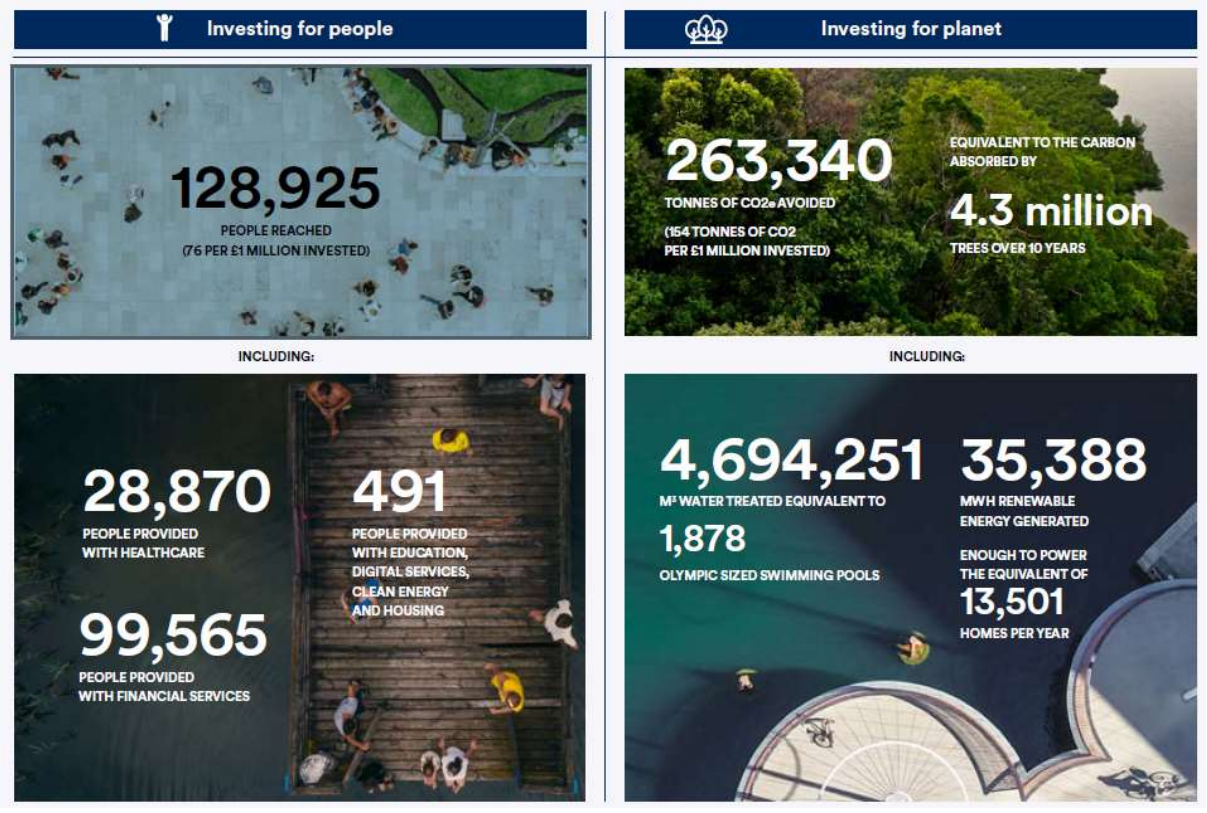
The Audit and Risk Committee, comprising trustees and two independent members (one of whom is the Chair), monitors all risks faced by the charity and meets every two to three months. It has a direct reporting line into the trustee board meetings and forms an important role in the overall assurance framework.

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. Cazenove Capital have been appointed as our investment advisors and that provides the opportunity to seek higher investment returns. As at the 1 June 2023, we had fully invested £5m and at the year end our total investment portfolio was valued at £5,362,000.

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 2023 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 2023/24 including Measuring Success and KPIs and Patient Safety Incident Response Framework.

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 2023/24 has seen high rates of inflation which has affected 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. significant cost increases driving by high rates of inflation and cost of living pressures driving up salaries.

We have also completed the merger with North Bedfordshire Hospice Care Ltd (trading as Bedford Daycare Hospice). Whilst there were costs associated with the merger transaction and integration into Keech Hospice Care the assets transferred have strengthened the financial sustainability of the charity.

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. Legacy income in 2023/24 was just over £1.1m and 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 news 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 2024, 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".

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

We would like to start by thanking all our staff and volunteers for their outstanding work throughout the year. It has been a year to be very proud of.

We completed and submitted our Quality Account which outlines our achievements for last year and our quality ambitions for the year ahead www.keech.org.uk/wp-content/uploads/2024/07/Quality-Account-2023-24.pdf

The quality of our services is very important to us, and we know you want to be assured of our attention to the quality of our delivery and our efforts to continuously improve wherever we can.

In the last year we've seen improvements and traction against our new strategy across all areas of the organisation. This can particularly be seen in the areas of Digital Development and Sustainability.

We're extremely proud of all our recent feedback, once again we achieved an 'Outstanding Organisation to Work For' in the Best Companies List 2024, as voted by our staff. We were also delighted and humbled by the positive feedback that we received from patients and their families across all our services, with 100% of friends and family extremely likely to recommend our care.

We were inspected by the Care Quality Commission, and were rated Good overall and Outstanding for Responsiveness

June 2023 saw the merger of Bedford Daycare Hospice into Keech Hospice Care. The bringing together of these two historic and much-loved charities will ensure that services provided by Bedford Daycare Hospice, for the people of Bedford and surrounding villages, are preserved and indeed grow. The clinical strategy is well underway and a promising increase in referrals confirms the ambition.

Our challenges for the year ahead, like other healthcare providers, is the recruitment of nurses. A full cross organisational steering group is in place including Trustees to ensure that we leave no stone unturned in our wish to maintain full staffing levels.

We work closely with our system partners, and we are delighted to have an Macmillan Transformation Lead in place to review and improve Palliative and End of Life Care priorities.

Funding also remains a challenge, with NHS funding not keeping pace with cost increases and in some cases reduced, and voluntary income also remaining challenging in these difficult economic times, the pressure remains to be effective and efficient with our resources.

We look forward to the year ahead delivering our services to our whole community.

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.

The NHS architecture significantly changed again. We continue to make great inroads to working in this new structure with extensive representation at many of the meetings. We will work hard on continuing this collaboration.

(i) We will transform the environment, systems and conversations about living well, death and dying; pioneering new models of care

We continued to provide excellent care through our in-patient, community, day therapy and out-reach services. Total beneficiaries for 2023/24 were 2,143 people, incorporating patients (those with a diagnosis of a life limiting condition), their relatives and carers.

Adult services

A total of 1,426 adult patients were cared for in 2023/24, 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 1,171 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 90 patients from Luton and south Bedfordshire, providing them with 1,329 bed nights.

Children's services

A total of 386 children were cared for in 2023/24, 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 384 children and their families with 3,315 community visits and 1,121 telephone calls.

The children's **play and activity** service supported 164 children with programmes of care that included specialist and sensory play, symptom assessment and management, interaction and stimulation.

Throughout 2023/24, the children's **in-patient unit** supported 67 children and their families by providing 272 bed nights. Admissions were for short breaks, symptom control, end-of-life care, perinatal care, crisis care, hospital transition and use of the bereavement suite.

Twenty seven 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 217 adult patients and their families and 68 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) We will deliver leading education, innovation and research improving knowledge and skills everywhere, moving towards our aspiration of being a university teaching hospice

The education team are committed to delivering excellent education, training, and development for staff and volunteers and reaching out across Bedfordshire, Luton and Milton Keynes (BLMK) to health and social care professionals, our service-users and within our community. 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.

Our new look education offer, Keech Hospice Care Learning, launched over Adult Learners Week in November. This included the new logo, merchandise, website, and prospectus for 2024/25 www.keech.org.uk/learning/

The team has continued to expand with the introduction of two Practice Educators and three Clinial Coaches, allowing the team to expand the offer to staff and volunteers. The new staff bring a wealth of knowledge and skills including palliative, acute and community experience within children's and adult services.

During 2023/24 we delivered 154 training sessions across Bedfordshire Luton and Milton Keynes, reaching 3,441 attendees including a scheduled of published learning opportunities and bespoke training sessions to pre and post register health and social care professionals, students, and the public.

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 introducing the core knowledge to support palliative patients. Other sessions include Communication, Oncology Series, Verification of Expected Death and roll out an Advance Care Plan training. These positively impact across the sector reaching into a range of settings including Trusts, Hospices and Care Homes.

Our training offers also include the Compassionate Communities workshops, encompassing Compassionate Friends and Digital Memories, and expanding our inclusive health series.

The Lecturer Practitioners, now recognised as Academic Fellows, lead bi-monthly evening masterclasses led by internationally recognised palliative specialists and researchers presenting the outcomes of our KEEPNET research, End of life care needs of the LGBTQIA+ community, Using the Ambitions Framework in Palliative and End of Life Care and Total Complexity, Total Uncertainty. In addition, we have introduced daytime masterclasses by those with lived experience. These groundbreaking sessions launched with the experiences of a Jenny Starkey, a MND patient, attracting over 90 attendees.

Our study days focussed on the various topics in palliative care of a patient and the latest research. It provides to opportunity to invite specialist speakers across the day. Topics included All Age Palliative Care, Pain, Challenging Conversations and Children's sessions.

We continue to expand our academic connections working with our local colleges, Central Bedfordshire, Barnfield and Bedford College as well as a broad range of universities including Bedfordshire, Hertfordshire, and Cambridge. We are able to offer a range of placements, research opportunities and teaching.

Our work with universities has expanded across the faculties teaching to nursing, paramedic, public health, AHP and social work students. Over the last year we have delivered 30 sessions to 1490 students within Bedfordshire and Hertfordshire.

During 2023/24 we provided 72 internal training sessions reaching 783 staff across all our teams. In addition, a range of eLearning opportunities has attracted 2571 enrolments with mandatory training remaining mostly above benchmark. Staff also have access to wider opportunities such as conferences, role specific courses and webinars.

We have introduced new mandatory training the Patient Safety (PSIRF) and Oliver McGowen Autism and Learning Disability Training across our workforce. Other new workshops include disability awareness, debrief and Clinical Supervision Training.

Apprenticeship opportunities continue to be available across our teams including two Adult Nurses, one Strategic Leaders and three members of the fundraising team continuing the Diploma in Fundraising. Three Business Administration apprentices completed their programmes and secured opportunities within Keech Hospice Care.

Alongside our physical library a new Knowledge Hub is available on SharePoint with 27 topic areas offering a wealth of resources including research papers, videos, and podcasts.

We continue to expand our research activity working with universities and NIHR. Partnership work has included working with Dr Ben Bowers (University of Cambridge) regarding Views and experiences of Asian patients and their families of end-of-life anticipatory prescribing, University of Bedfordshire on the role of Community Connectors and University of East Anglia on Death Literacy - Mobilising knowledge of Death Literacy across non-clinical community networks. We have also joined to BMLK and East of England Research Networks to learn from others and expand our reach.

As part of our commitment to the wellbeing of our staff and volunteers our Mental Health Champions have delivered monthly Wellbeing Wednesday session using music, crafts, and games to aid mental wellbeing. Mindfulness session and access to wider support through our Employee Assistance Programme are also available.

Over the last year our Staff Engagement Committee gathered staff feedback, shaping our All Staff Away Day, catering, bereavement policies, internal communications, and wellbeing. The committee shared a ‘You said. we did’ poster demonstrating to difference the staff voice has made including additional wellbeing resources, catering changes, and the introduction of Keech and education newsletters.

Our Equity, Diversity and Inclusion (EDI) Group has developed a programme of activities throughout the year including events for Ramadan, Eid, Pride, Neurodiversity and Diwali which has been recognise as best practice and published by Hospice UK on their website and newsletters.

Our Compassionate Communities work continues to expand including a creative approach to encourage conversations regarding death, dying, bereavement and loss. Our Community Connector has trained and rolling out ‘No Barriers Here’ sessions using art and craft workshop to explore planning ahead and what matters to you. Our first play, ‘Blue Skies,’ in November attracted stakeholders and community members in the audience opening up meaningful and impactful conversations and insights.

Our Compassionate Communities team continues to expand our range of partners including Bedfordshire Police, Nevilles Funeral Directors, Blossoms, Alzheimer's Society, and our local libraries. Engaging 1,645 people over the last year across a range of events, fairs, and meetings, as we work with Luton Council to become a Compassionate Town.

We have delivered tours and presentations to the community including the Council of Faiths. This has led to activities such as Friday Prayers and wellbeing walks. Wider tours and presentations to the public, students, funders, and supporters are available monthly.

Over the last year we have developed our Compassionate Neighbours offer due to launch in 2024/25. This is part of a social movement, matching trained volunteer Compassionate Neighbours with Community Members across Luton.

Hospice Week highlighted the work of our Community Connector and published on the Hospice UK Innovation Hub including additional articles on our Compassionate Communities activities and education offer.

Stakeholders have invited keech Hospice Care to present at including Public Health Conference, World Social Workday and Luton Marmot Town – 1 year on.

(iii) We will drive efficiency and effectiveness to ensure long term financial and environmental sustainability; becoming the charity of choice for our communities

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.

The impact of the cost-of-living crisis has created some challenges throughout 2023/24 and we have seen reduced income from fundraising this year. Whilst we understand the reasons, we continue to work diligently to maximise all our revenue streams and are extremely grateful 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 2023/24 was £15,401k (2022/23: £13,395k).

We were delighted to see our retail income for 2023/24 increase significantly from the prior year, part of this growth was from the merger as we inherited 5 additional shops. Retail income increased to £5,969k from £5,250k in 2022/23. The income for 2022/23 also included a business interruption claim in the amount of £239k.

Operating retail profit remained consistent from 2022/23 to 2023/24 as there were increased costs associated with integration of the 5 inherited shops into the wider retail estate together with other cost pressures as previously highlighted.

Despite all the challenges with regards to the unstable rag market and increased estate overheads that have affected our retail we are pleased with our overall retail performance. We are 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, increased to £4,441k (2022/23: £3,328k). £983k (2022/23 £355k) of this increase relates to restricted fundraising donations that could only be spent specifically on our four charitable activities. We also received additional support from our local Integrated Care Boards for one-off funding that will not continue into 2024/25.

Total fundraised income from donations and legacies remained constant compared with the previous year £3,459k (2022/23: £3,466k). This includes £792k of assets gifted to the charity by North Bedfordshire Hospice Care Ltd following the merger. As detailed above we have received a great amount of restricted fundraising donations and these are allocated to our charitable activities income.

Of total fundraised income £1,102k was received from legacies. This area of income can change significantly from year to year (£1,146k in 2022/23, £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 2023/24 continued to benefit from opportunities to grow our lottery which now stands at over 12,000 players weekly and planned capital projects supported by substantial donations from Trusts and Foundations, often supported by individuals as well as a number of generous gifts 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.

On behalf of all the adults, children and their families we continue to support, a massive thank you to all our funders and donors.

Sustainability

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 pract]ices across all hospice activities.

(iv) We will be impactful with our digital, data and communication approaches, driving change

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.

This year saw the commencement of a project to refresh our brand and communications to reflect the breadth and nature of our services to better engage our audiences. This includes the effective amalgamation of Bedford Daycare Hospice into Keech Hospice Care, following the merger of the two Hospices in 2023. This work will be ongoing throughout 2024.

2023/24 saw the first year of our three-year digital innovation roadmap, engaging external expertise to work with us to effectively audit our digital services and support the charity to ensure we have the foundations in place to support our significant innovation and optimisation plans. This will include systems, capabilities and capacity building over the coming three years.

At the beginning of 2024 we welcomed a new Data Manager to the team. She has been tasked to review our processes for data gathering to help improve efficiency. In 2024/25 we plan to introduce strategic reporting within SystmOne, this will greatly reduce the amount of time it takes to produce care reports as well as providing us with some ‘real time’ data. We are also introducing the Power BI to improve data insights across the organisation.

In September 2024 we will be presenting a new KPI dashboard to the Board, containing key objectives agreed by them and touching on each of the strategic aims.

(v) We will attract, retain and engage the best talent and provide opportunity to develop from the outset, valuing difference.

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.

The charity started the financial year employing an average of 266 members of staff (221 full-time equivalent) and ended the year employing 315 people (253 full time equivalent). An average of 56% of our staff work less than full time.

The growth in staff numbers was largely due to the merger with Bedford Daycare Hospice, with 23 staff transferring to Keech on the 1 June. This followed a programme of consultation and communication with staff and volunteers at both Keech and Bedford Daycare Hospice, and the transfer went smoothly with all staff transferring and with very good retention in the year following the transfer.

We also are thankful for the support, commitment and dedication of approximately 1,400 volunteers working in different roles across care, retail, fundraising and support functions.

We have also seen growth in our volunteers numbers from 1,200 at the beginning of the year as we progress along our Volunteering Strategy which was put in place last year. 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. We have seen considerable increases in volunteers from ethnically diverse backgrounds as well as increases from younger volunteers and volunteers with disabilities.

We ran a programme of events across our geographical area to thank for volunteers for their contribution to Keech and to keep them informed of developments and gain feedback to improve our volunteer offer.

Wellbeing of our staff and volunteers continues to be of the highest priority. Our Mental Health Champions programme continues to grow 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 are now looking at introducing more champions to extend their reach. We also regularly send information and tips with regards to wellbeing to our staff and have introduced Wellbeing Wednesday, where staff are invited to a wellbeing session.

Our Staff Engagement Committee is now embedded in the organisation 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 a open forum for staff reps to bring any matters affecting staff directly to senior managers. At each meeting we cover a specific topic and over the last year we have looked at the merger with Bedford Daycare Hospice, internal communications, catering, bereavement policy and feedback and learning from our all staff away day.

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 continue to monitor our pay structures and movement within pay scales and ensured these are now benchmarked with the NHS and other relevant organisations. Our Equality Statement also reflects our intent to be more representative of the communities we serve which is a sentiment that is reflected in our values and underpins behaviours.

Recruitment continues to be a priority in all areas. We welcome applications for employment from all prospective employees regardless of disabilities and are committed to developing practices that not only meet the requirements of equalities legislation but which actively promote equality of opportunity and maximise the abilities, skills and experience of all employees. If an employee discloses that they have a disability, we will engage in a discussion with them to determine what they need to be successful in their role and seek to make reasonable adjustments to facilitate this. We continue to develop our 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. We have brought in a new post of Recruitment Advisor to manage the recruitment process and to help source candidates.

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 one pay scale (with the exception of Doctors who are paid in line with NHS speciality doctor scales). Progression for all staff on the pay scale is linked to a competency-based assessment. All grades may be eligible for an inflationary annual pay award, if this is affordable, and will be based upon continued benchmarking.

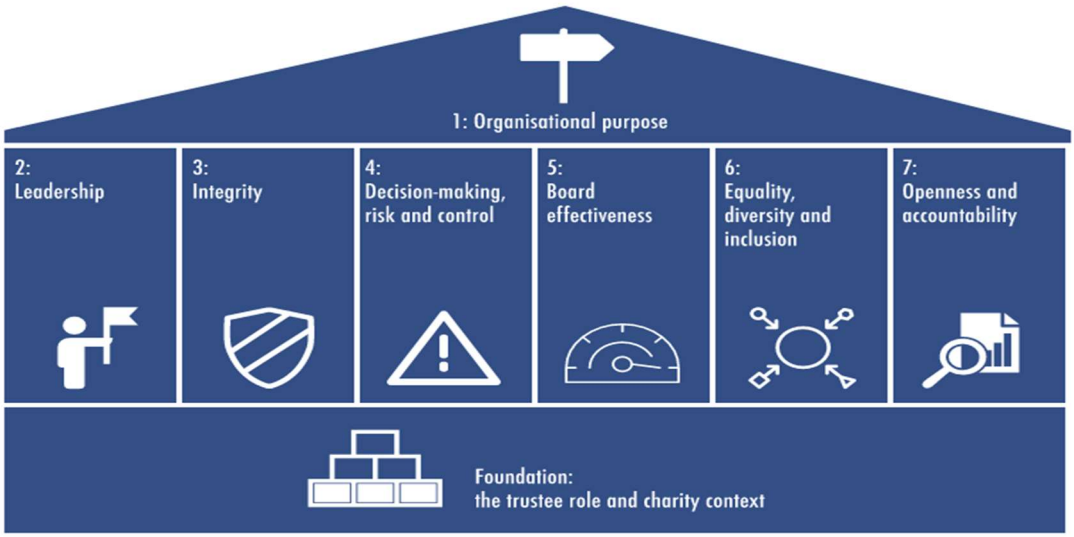
Senior management are also on the pay scale grade system. The Board of Trustees recognises that employment of first-class senior managers is vital if the hospice is to maximise the quality, efficiency and income of the charity and allow us to deliver our purpose. Senior management pay progression is 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.

(vi) We will be expertly led, effectively governed, and a values driven learning organisation

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 but we also now focusing on how we diversify the Board with Trustees who reflect our community and youth Trustees.

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, this was followed by a facilitated review in July 2022 undertaken by an external expert. The results of this exercise were very positive and enabled a refreshed action plan to be compiled to ensure our continued improvement. Now, in 2024, our compliance with the Charity Governance Code is one of the KPI's on our new Board Dashboard. To establish our compliance with the code we are completing a self-assessment against each of the standards.

Assessing performance

The charity produces quarterly corporate and performance dashboards which have been significantly updated last year 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 2024 are set out in the financial statements that follow this Trustees' Report.

Expenditure

Excluding retail spend, expenditure was £9,271,000 (2023: £7,804,000) of which £8,263,000 (89%) was spent on our charitable activities (2023: £7,078,000 / 90%). 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 4% more than budgeted for the year but this was driven by the additional costs of merging Bedford Daycare Hospice operations into the charity. Careful control and monitoring of costs throughout the year has ensured that excluding these operating costs we operated in line with budget.

The cost of activities for raising funds has increased by 38% which is due to costs incurred for the Wild in Art fundraising trail taking place in 2024/25. Our trading expenditure increased by 22% which was a combination of increasing costs caused by inflation including staffing costs, together with the expansion of our retail estate to include the five new shops inherited from the merger.

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 £15,402,000 (2023: £13,394,000), an increase of 15%. However, this includes £792,000 of assets donated by North Bedfordshire Hospice Care Ltd in June 2023, so the group consolidated income for the year, excluding these assets totals £14,610,000 (9% increase).

Donations and legacies totalled £3,460,000 (2023: £3,466,000) including legacy income of £1,102,000 (2023: £1,747,000). Retail income increased by 13% totalling £5,969,000 (2023: £5,250,000) with £430,000 of this increase relating to income from the five new retail shops. Income from charitable activities increased by 33% due to one-off non-recurring funding from local Integrated Care Boards and a higher level of restricted fundraising income that we are required to include in charitable activities income rather than donations and legacies.

Funds and reserve transfers

The Consolidated Statement of Financial Activities on page 36 shows an increase in funds (surplus) of £1,066,000, of which £792,000 is assets donated to Keech as part of the merger and supports the ongoing operation of the dedicated facilities in Bedford and £296,000 relates to an unrealised investment gain.

Unrestricted and undesignated funds have increased by £966,000 to £7,247,000 which is within in the target set in the Reserves Policy (see below).

We have transferred £278,000 to our general fund from 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 2024 are £21,143,000 which includes group cash balances of £6,532,000. The carrying value of our fixed assets has increased by £441,000 which represents the capital investments made to our hydrotherapy pool changing rooms and IT infrastructure as well as the assets donated by North Bedfordshire Hospice Care Ltd. Investment in capital equipment has remained in line with budget.

Further details of the funds analysis can be found in notes 21, 22, 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 2024/25, the policy target range is between £4.844m and £7.267m. 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 2024 the unrestricted undesignated reserves (free reserves) increased to £7.247m, representing 9 months of 2024/25 budgeted operating costs less the budgeted direct costs of fundraising and trading. This is in line with our reserves target. A deficit budget has been set for 2024/25 and we expect our unrestricted undesignated reserves to be within the reserves target range at the end of 2024/25.

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. We also maintain and review an emerging risk log which includes issues that are perceived to be potentially significant but may not be fully understood and assessed. This satisfies the trustees that adequate controls and procedures are in place to mitigate these risks. The Audit & Risk Committee also submits a formal annual report to the trustees.

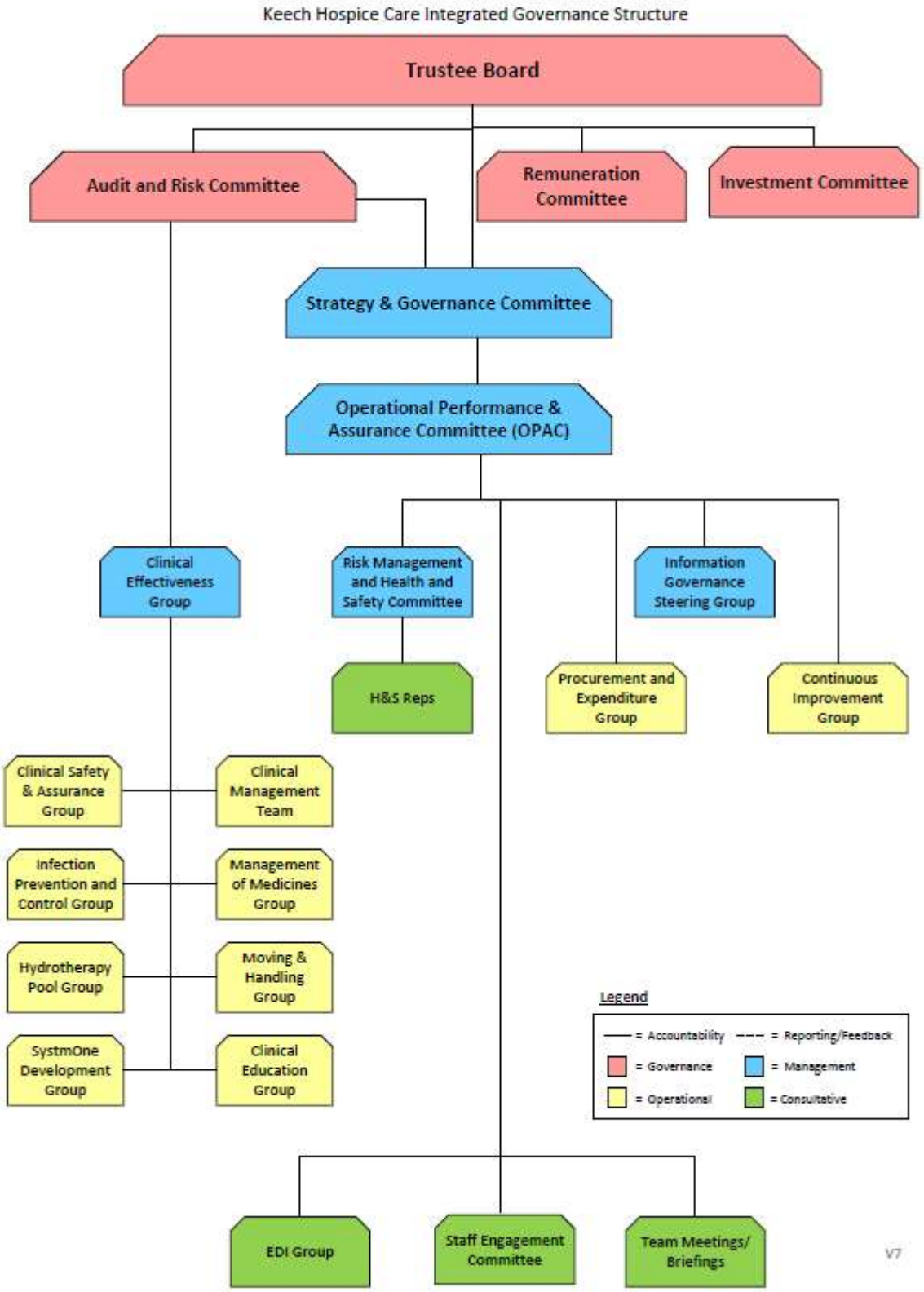
Trustees conduct regular formal 'trustee visits'. Although these are no longer required by the Care Quality Commission, the Board has decided to continue them as they have proven beneficial for the organisation and individual trustees in their role. Internal financial audits are also carried out.

Principal risks and uncertainties

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

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

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:



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 third-party 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).

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 will further improve our understanding of our diverse community through the community connector 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.

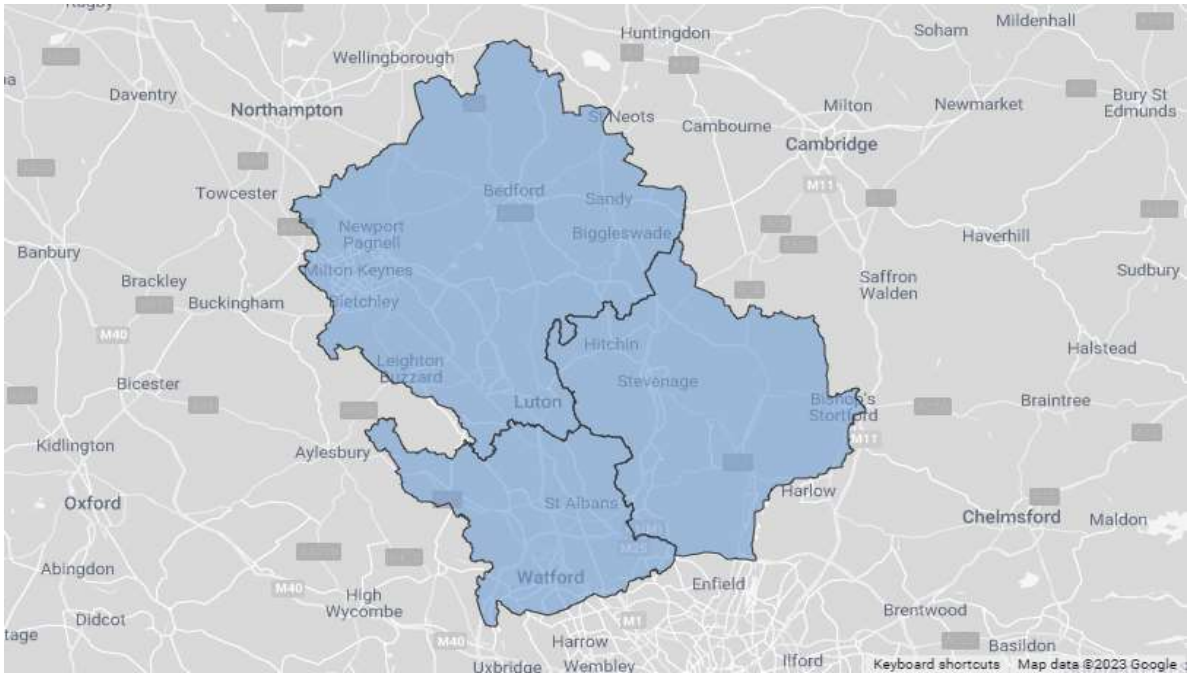
HospiceUK wrote their Future Vision Programme, below, outlining considerations for hospices in future strategy and direction. The report draws together the views of all stakeholders in exploring future sustainability within the sector. They asked them to suggest ways in which Hospices might collaborate, 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 1 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. A full integration plan was created to ensure the operations of Bedford Daycare Hospice were effectively and efficiently combined and the strategic purpose behind the merger was pursued.

The merger has improved our financial sustainability but has also allowed further expansion of our services to our communities.

The Trustees' Annual Report, which incorporates the Strategic Report was approved by the trustees on 25 September 2024, and is signed as authorised on its behalf by:

Simon Ogden
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 2024 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 2024 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.

Siobhan Holmes (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor
Date: 29 October 2024

10 Queen Street Place
London
EC4R 1AG

Consolidated Statement of Financial Activities

(including Income & Expenditure Account)

for the year ended 31 March 2024

		2024			2023		
		Unrestricted	Restricted	**Total**	Unrestricted	Restricted	**Total**
	Notes	£'000	£'000	**£'000**	£'000	£'000	**£'000**
Income from:							
Donations and legacies	4	3,341	119	**3,460**	2,828	638	**3,466**
Charitable activities	9						
Adults Service		1,487	237	**1,724**	1,288	178	**1,466**
Children's Services		916	1,166	**2,082**	707	775	**1,482**
Supportive care		31	488	**519**	75	149	**224**
Educate and communicate		115	1	**116**	103	53	**156**
Total charitable activities		2,549	1,892	**4,441**	2,173	1,155	**3,328**
Other trading income							
Trading income	8	128	2	**130**	101	5	**106**
Charitable trading income		190	-	**190**	207	-	**207**
Lottery income		568	87	**655**	536	93	**629**
Retail income		4,708	1,261	**5,969**	4,098	1,152	**5,250**
		5,594	1,350	**6,944**	4,942	1,250	**6,192**
Investment income	7	471	-	**471**	92	-	**92**
Other Operating Income	6	86	-	**86**	317	-	**317**
Total income		**12,041**	**3,361**	**15,402**	**10,352**	**3,043**	**13,395**
Expenditure on:							
Raising funds		933	75	**1,008**	621	105	**726**
Charitable activities							
Adults Service		3,283	203	**3,486**	2,811	240	**3,051**
Children's Services		1,368	1,559	**2,927**	835	1,784	**2,619**
Supportive care		1,005	71	**1,076**	714	99	**813**
Educate and communicate		772	2	**774**	542	53	**595**
Total charitable activities		6,428	1,835	**8,263**	4,902	2,176	**7,078**
Trading expenditure		4,570	790	**5,360**	3,691	680	**4,371**
Total expenditure	10	**11,931**	**2,700**	**14,631**	**9,214**	**2,961**	**12,175**
Net income for the year		110	661	**771**	1,138	82	**1,220**
Gain / (Loss) on investment assets	17	295	-	**295**	(14)	-	**(14)**
Transfers between funds	26	253	(253)	**0**	107	(107)	**-**
Net movement in funds		658	408	**1,066**	1,231	(25)	**1,206**
Reconciliation of funds							
Total funds brought forward	26	19,738	339	**20,077**	18,507	364	**18,871**
Total funds carried forward	26	**20,396**	**747**	**21,143**	**19,738**	**339**	**20,077**

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 £1,066,000 (2023: £1,206,000 surplus).

The accompanying notes on pages 41-62 form an integral part of this consolidated statement of financial activities.

Balance Sheet
as at 31 March 2024
Company number: 2904446

	Notes	Group 2024 £'000	Charity 2024 £'000	Group 2023 £'000	Charity 2023 £'000
FIXED ASSETS					
Tangible assets	16	7,957	7,957	7,708	7,708
Investments	17	5,362	5,362	1,986	1,986
Investment Property	17	191	191	-	-
		13,510	**13,510**	9,694	9,694
CURRENT ASSETS					
Stocks	18	18	-	15	-
Debtors	19	1,611	1,644	1,414	1,444
Cash at bank and in hand		6,532	6,512	9,598	9,578
Short-term deposits		533	533	507	507
		8,694	**8,689**	11,534	11,529
CREDITORS: amounts falling due within one year	20	(1,061)	(1,056)	(1,151)	(1,146)
Net current assets		**7,633**	**7,633**	10,383	10,383
Net assets	22	**21,143**	**21,143**	20,077	20,077
FUNDS					
Unrestricted funds					
General fund		7,438	7,438	6,281	6,281
Designated funds		12,958	12,958	13,457	13,457
Total unrestricted funds		20,396	20,396	19,738	19,738
Restricted funds		747	747	339	339
TOTAL FUNDS	26	**21,143**	**21,143**	20,077	20,077

The parent charity's gross income for the year was £15,272,000 (2023: £13,289,000) and the net result for the year was £1,010,000 surplus (2023: £1,160,000 surplus)

The financial statements on pages 38-62 were approved and authorised for issue by the trustees on 25 September 2024 and signed on their behalf by:

Simon Ogden
Chair of Trustees

Consolidated Statement of Cash Flows
for the year ended 31 March 2024

	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Cash flows from operating activities				
Net income (expenditure) for the year		1,066		1,206
Investment income		(471)		(92)
Depreciation charges		507		494
(Profit) loss on sale of fixed assets		(8)		4
Decrease / (increase) in stock		(3)		(2)
(Increase) / decrease in debtors		(197)		2,825
Increase / (decrease) in creditors		(90)		56
Losses/(Gain) on investments		(295)		14
Net cash provided by (used in) operating activities		**509**		**4,505**
Cash flows from investing activities				
Payments to acquire tangible fixed assets	(748)		(323)	
Purchase of investments	(3,081)		(2,000)	
Purchase of investment property	(191)		-	
Bank interest received	245		79	
Investment income	226		13	
		(3,549)		(2,231)
Increase/(decrease) of cash in the year		**(3,040)**		2,274
Cash at 1 April		10,105		7,831
Increase/(decrease) of cash in the year		(3,040)		2,274
Cash at 31 March		**7,065**		10,105

Notes to the Accounts

1. Accounting policies

Company information

Keech Hospice Care is a private company (registered number: 2904446), limited by guarantee. It is incorporated in the United Kingdom and registered in England and Wales. The registered office is Great Bramingham Lane, Streatley, Luton, LU3 3NT. Keech Hospice Care is also registered as a charity in England and Wales (registered charity number: 1035089).

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

As detailed in the Trustees Report, 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.

Merger/Acquisition accounting

For any merger or acquisition we follow the rules set out in FRS 102 SORP and FRS 102. With the integration of North Bedfordshire Hospice Care Limited, there was no consideration paid and the charity's operations were absorbed into the operations of Keech Hospice Care. Therefore, the relevant net assets were treated as a gift, in line with the substance of the transaction, and recognised as income.

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.

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.

Investment Properties

Property assets held for investment purposes are included at market value. The last valuation was carried out in May 2023 and it is intended that a new valuation will be undertaken when it is believed that a material change in value has occurred.

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.

Valuing donated goods

The Trustees consider that the valuation of goods donated for resale at the point of receipt is impractical, due to the high volume of low value items and the administrative costs involved in valuation. Goods donated for resale are therefore recognised in the accounts at the point of sale.

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 2024, the number of such guarantees was 9 (2023: 10).

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 £156,961 (2023: £217,230) of income that was within this 21-day timeframe so could potentially be asked to be returned. The accounts also include the £39,240 (2023: £54,307) of gift aid that is recoverable on these donations. At the date of signing the accounts, this timeframe had elapsed and £Nil (2023: £162) of this income had been returned to donors.

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

	Unrestricted Funds £'000	Restricted Funds £'000	**Total 2024 £'000**
Individual donations and gifts	835	80	**915**
Corporate donations	116	-	**116**
Events	283	-	**283**
Trusts and grants	249	3	**252**
Legacies	1,066	36	**1,102**
Assets donated by North Bedfordshire Hospice Care Ltd	792	-	**792**
Total donations and legacies	**3,341**	**119**	**3,460**

Included in donations and legacies are £26,881 (2023: £74,715) of gifts in kind.

On 1 June 2023 North Bedfordshire Hospice Care Ltd (NBHC) merged with Keech Hospice Care. The operations of NHBC were absorbed into Keech Hospice Care and no consideration was paid, therefore the net assets transferred from NBHC to Keech Hospice Care have been treated as a gift and included in donations and legacies.

(b) Donations and legacies (prior 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**

5. Grants received

	2024 £'000	2023 £'000
Grant contribution funded by NHS England - Children's Hospice Grant	821	689
	821	689

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

6. Other Operating Income

	Unrestricted Funds 2024 £'000	Restricted Funds 2023 £'000	**Total 2024 £'000**	Unrestricted Funds 2023 £'000	Restricted Funds 2021 £'000	Total 2023 £'000
Insurance Claim Proceeds	-	-	**-**	243	-	243
Reimbursements	39	-	**39**	40	-	40
Sundry Income	47	-	**47**	33	-	33
	86	-	**86**	316	-	316

7. Investment Income

	Unrestricted Funds 2024 £'000	Restricted Funds 2023 £'000	**Total 2024 £'000**	Unrestricted Funds 2023 £'000	Restricted Funds 2022 £'000	Total 2023 £'000
Listed investments	226	-	**226**	13	-	13
Interest receivable from bank deposits	244	-	**244**	79	-	79
	470	-	**470**	92	-	92

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 2024 £'000	Pasque Charity (Trading) 2024 £'000	**Total 2024 £'000**
Turnover			
Sale of bought-in goods	88	-	**88**
Conference sales	5	-	**5**
Corporate fundraising agreements	2	-	**2**
Catering sales	34		**34**
	130	-	**130**
Cost of sales and administrative expenses			
Unrestricted	(74)	-	**(74)**
Governance	-	-	-
Amounts gift aided to Keech Hospice Care	(56)	-	**(56)**
	-	-	**0**
The aggregate of the assets, liabilities and funds was:			
Assets	28	12	**40**
Liabilities	(28)	(12)	**(40)**
Funds	**0**	**0**	**0**

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 £14,406 (2023: £13,043) from the parent charity.

(b) Activities for generating funds (prior year)

	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**
	106	-	**106**
Cost of sales and administrative expenses			
Unrestricted	(60)	-	**(60)**
Governance	-	-	-
Amounts gift aided to Keech Hospice Care	(46)	-	**(46)**
	-	-	-
The aggregate of the assets, liabilities and funds was:			
Assets	32	4	**36**
Liabilities	(32)	(4)	**(36)**
Funds	-	-	-

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

	Unrestricted Funds £'000	Restricted Funds £'000	**Total 2024 £'000**
Core NHS agreements	741	-	**741**
Local Authority & NHS agreements for specific care	183	-	**183**
Specialist palliative care payments for specific purposes	563	36	**599**
Statutory contributions to pension costs	-	22	**22**
Incoming resources from charitable activities	-	-	**-**
Restricted Donations	-	179	**179**
Subtotal for the Adults Service	1,487	237	**1,724**
Core NHS agreements	615	-	**615**
Local Authority & NHS agreements for specific care	62	-	**62**
Specialist palliative care payments for specific purposes	239	-	**239**
Statutory contributions to pension costs	-	22	**22**
Grant contribution funded by NHS England - Children's Hospice Grant	-	822	**822**
Restricted Donations	-	322	**322**
Subtotal for the Children's Services	916	1,166	**2,082**
Core NHS agreements	30	-	**30**
Local Authority & NHS agreements for specific care	-	-	**-**
Specialist palliative care payments for specific purposes	1	-	**1**
Statutory contributions to pension costs	-	7	**7**
Restricted Donations	-	481	**481**
Subtotal for Supportive Care	31	488	**519**
Core NHS agreements	-	-	**-**
Local Authority & NHS agreements for specific care	110	-	**110**
Specialist palliative care payments for specific purposes	3	-	**3**
NHS Funding for Education Purposes	2	-	**2**
Statutory contributions to pension costs	-	1	**1**
Restricted Donations	-	-	**-**
Subtotal for Educate and Communicate	115	1	**116**
Total income from charitable activities	2,549	1,892	**4,441**
Total restricted donations	-	(983)	**(983)**
Total statutory income	2,549	909	3,458

(b) Income from charitable activities (prior 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

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

	Staff costs £'000	Other Direct costs £'000	Deprec-iation £'000	Support costs £'000	Gover-nance £'000	**2024 Total £'000**
Cost of generating funds						
Fundraising	592	355	1	50	10	**1,008**
Trading	2,758	2,124	103	316	60	**5,361**
Total cost of generating funds	**3,350**	**2,479**	**104**	**366**	**70**	**6,369**
Cost of charitable activities						
Adult hospice	2,326	574	134	415	37	**3,486**
Children's hospice	1,950	524	137	289	27	**2,927**
Supportive Care	834	157	1	71	13	**1,076**
Educate and Communicate	494	229	0	43	8	**774**
Total cost of charitable activities	**5,604**	**1,484**	**272**	**818**	**85**	**8,263**
Governance costs	61	89	0	5	-155	-
Support costs	415	643	131	-1,189	0	-
Total Expenditure	**9,430**	**4,695**	**507**	**0**	**(0)**	**14,632**
Total Expenditure (prior year)	**7,954**	**3,727**	**495**	**-**	**(0)**	**12,176**

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

	Allocation basis	**2024 £'000**
Facilities and services	Time and Headcount	452
Management, HR, Finance, Admin, IT, Marketing & Communications	Headcount	737
Total support costs		**1,189**

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	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**

11. Analysis of staff costs

	2024 £'000	2023 £'000
Wages and salaries	8,204	6,935
Social security costs	693	579
Employer's contribution to defined contribution pension schemes	533	440
	9,430	7,954

During the year, no employees were made redundant with redundancy payments totalling £Nil being made (2023, £Nil).

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

	2024 Number	2023 Number
£60,000 - £69,999	2	1
£70,000 - £79,999	2	-
£80,000 - £89,999	1	1
£90,000 - £99,999	-	-
£100,000-£109,999	-	1
£110,000-£119,999	1	-
	6	**3**

One of the employees included in the bandings above £60,000 have retirement benefits accruing under a defined contribution scheme (2023: one member). Payments to defined contribution schemes in the year in respect of those employees included in the bandings above £60,000 totalled £12,344 (2023: £11,470).

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 £423,054 (2023: £354,729).

12. Staff numbers

The average monthly headcount (including bank staff) was 319 (2023: 286) and analysis of the employees by function was:

	2024		2023	
	Actual number	Full-time equivalent	Actual number	Full-time equivalent
Adults Service	60	54	48	47
Children's Services	45	39	45	40
Supportive Care	24	17	19	14
Fundraising	20	18	18	16
Trading	109	86	102	81
Facilities and services	15	10	15	9
Management, HR, Finance, Administration and IT	43	39	36	32
Public Relations and Communications	3	3	3	3
	319	**266**	286	242

The hospice had an average of 1,384 volunteers during the year (2023: 1,200), of which 948 (2023: 750) worked in our retail operations and 436 (2023: 450) 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 £296,000 (2023: £243,000). Contributions outstanding at the year-end totalled £58,000 (2023: £44,000).

Contributions to the National Health Service Pension Scheme for the period were £237,000 (2023: £196,000) and the agreed contribution rate was 14.3%. Contributions outstanding at the year-end totalled £33,000 (2023: £29,000).

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 2023/24 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:

	2024	2023
	£'000	£'000
Auditor's remuneration - Audit Fee (Group)	27	25
Operating lease rentals - land and buildings	881	752
Operating lease rentals - Other	66	55
Depreciation	507	494

15. Trustees' remuneration and expenses

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

One trustee received reimbursement of expenses of £40 during the year in their role as trustee (2023: one trustee received reimbursement of expenses of £304).

Trustees made voluntary donations totalling of £1,445 during the year (2023: £1,130).

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 2023	10,826	1,765	491	809	1,598	99	20	**15,608**
Additions	124	115	9	72	111	23	295	**748**
Disposals				(5)		(52)		**(57)**
At 31 March 2024	**10,950**	**1,880**	**500**	**876**	**1,709**	**70**	**315**	**16,299**
Depreciation								
At 1 April 2023	3,780	1,632	431	745	1,215	97		**7,900**
Charge for year	219	74	24	39	147	4		**507**
Disposals				(5)	(8)	(52)		**(65)**
At 31 March 2024	**3,999**	**1,706**	**455**	**779**	**1,354**	**49**	**-**	**8,342**
Net book value								
At 31 March 2024	**6,951**	**174**	**45**	**97**	**355**	**21**	**315**	**7,957**
At 1 April 2023	7,046	133	60	64	383	2	20	**7,708**

All of the above assets are used for charitable purposes.

17. Fixed Asset Investments (Charity and Group)

	Unrestricted Funds £'000	Restricted Funds £'000	**Total 2024 £'000**	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000
Group and Charity						
Market value as at 1 April	1,986	-	**1,986**	-	-	-
Purchases and additions of fixed asset investments	3,081	-	**3,081**	2,000	-	2,000
Realised Gain/(Loss)	-	-	**-**	(1)	-	(1)
Unrealised Gain/(Loss) on Investment	295	-	**295**	(13)	-	(13)
Market value as at 31 March	**5,362**	**-**	**5,362**	1,986	-	1,986

Investment Property (Charity and Group)

	Unrestricted Funds £'000	Restricted Funds £'000	**Total 2024 £'000**	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000
Group and Charity						
Market value as at 1 April	-	-	**-**	-	-	-
Investment Property Additions	191	-	**191**	-	-	-
Market value as at 31 March	**191**	**-**	**191**	-	-	-
Historical cost as at 31 March	-	-	**-**	-	-	-

18. Stock

	Group 2024 £'000	Charity 2024 £'000	Group 2023 £'000	Charity 2023 £'000
Goods for resale	18	-	15	-

19. Debtors

	Group 2024 £'000	Charity 2024 £'000	Group 2023 £'000	Charity 2023 £'000
Trade debtors	62	62	413	413
Amounts owed by related undertaking	0	34	-	30
Other debtors	302	302	196	196
Prepayments and accrued income	1,247	1,246	806	806
	1,611	1,644	1,415	1,445

20. Creditors: amounts falling due within one year

	Group 2024 £'000	Charity 2024 £'000	Group 2023 £'000	Charity 2023 £'000
Trade creditors	379	379	265	264
Other creditors	96	96	72	72
Accruals and deferred income	586	581	814	809
	1,061	1,056	1,151	1,145

Movement on deferred income during the year:

	Group 2024 £'000	Charity 2024 £'000	Group 2023 £'000	Charity 2023 £'000
Balance at the beginning of the year	509	509	360	360
Amount released to income in the year	(447)	(447)	(197)	(197)
Amount deferred in the year	32	32	346	346
Balance at the end of the year	94	94	509	509

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 net assets (current year)

	General Funds £'000	Designated Funds £'000	Restricted Funds £'000	**Total £'000**
Tangible assets	-	7,957	-	**7,957**
Investments	362	5,000	-	**5,362**
Investment Property	191	-	-	**191**
Net current assets	6,884	-	747	**7,632**
	7,438	**12,957**	**747**	**21,142**

22. Analysis of net assets (prior 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. Capital Commitments

The charity had the following capital commitments at the year end, which are expected to fall due within one year:

Contracted	**2024 £'000**	2023 £'000
Land and buildings	385	38
Fixtures and Fittings	-	39
Equipment	109	3
	494	**80**

Authorised but not contracted	**2024 £'000**	2023 £'000
Land and buildings	**-**	-
Equipment	**-**	-
	-	-

24. Financial commitments

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

Group and charity	2024		2023	
	Land and buildings	**Other**	Land and buildings	Other
	£'000	**£'000**	£'000	£'000
Expiry date:				
Within one year	663	34	523	45
1-5 years	1,320	44	830	41
Over five years	-	-	10	-
	1,983	**78**	1,363	86

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

Two leases are in the name of North Bedfordshire Hospice Care Ltd but are 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 £10,809 (2023: £9,933) and a fee for the use of the charity's logo, name and data of £3,596 (2023: £3,110). The company has made a charitable donation of its taxable profits of £55,988 (2023: £45,596) to the charity. At 31 March 2024, the company owed £22,323 (2023: £25,923) 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 2024, the company owed £11,677 (2023: £3,867) to the charity.

There are no additional related party transactions to disclose for 2024 (2023: 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	6,281	12,041	(11,338)	295	159	**7,438**
Designated funds						
- Building Improvements and Infrastructure Fund	1,100	-	-	-	(175)	**925**
- Legacy Equalisation	1,500	-	-	-	-	**1,500**
- IT and Digital Innovation	350	-	(50)	-	(75)	**225**
- Environmental Investment	500	-	(3)	-	3	**500**
- Service and Innovation Development	2,000	-	(99)	-	(301)	**1,600**
- Retail Infrastructure	300	-	-	-	(50)	**250**
- Tangible fixed assets	662	-	(222)	-	568	**1,007**
- Building assets fund	7,045.00	-	(219)	-	124	**6,950**
Total designated funds	**13,457**	**-**	**(593)**	**-**	**94**	**12,958**
Total unrestricted funds	**19,738**	**12,041**	**(11,931)**	**295**	**253**	**20,396**
Restricted funds						
Adult revenue fund	-	51	(51)	-	-	**-**
Hospice at Home	9	18	(19)	-	-	**8**
Adult social work fund	1	-	-	-	-	**1**
Adult Living Appeal	(0)	0	-	-	-	**0**
Adult activity funds	33	142	(138)	-	(6)	**31**
Children's revenue fund	-	1,544	(1,544)	-	-	**-**
Children's complementary therapy	13	5	(3)	-	-	**15**
Children's development board	-	0	(0)	-	-	**-**
Children's investments	1	-	-	-	-	**1**
Children's activity funds	66	37	(37)	-	(1)	**65**
Children's courtyard capital project	22	34	-	-	(7)	**49**
Pension contribution	-	53	(53)	-	-	**-**
Children's nursing salaries	-	56	-	-	-	**56**
Other activity funds	95	17	(27)	-	(10)	**75**
Children's capital projects	96	443	(7)	-	(186)	**346**
Adult capital projects	-	61	-	-	-	**61**
Capital projects - Both	3	79	-	-	(43)	**39**
NHS England Grant	-	821	(821)	-	-	**-**
Children's day care capital project	-	-	-	-	-	**-**
Total restricted funds	**339**	**3,361**	**(2,700)**	**-**	**(253)**	**747**
Total funds	**20,077**	**15,402**	**(14,631)**	**295**	**0**	**21,143**

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 2023/2024.

27. Consolidated statement of funds (prior year)

	Funds Brought Forward £'000	Income £'000	Expenditure £'000	Investment Gains £'000	Transfers Between Funds £'000	Funds Carried Forward £'000
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**

28. Analysis of material transfers between funds

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. There are also transfers between unrestricted funds and designated funds representing either operating spend from those designated funds and/or reallocation of unrestricted funds to designated funds for future spend.

Keech Hospice

England & Wales - Charity number 1035089

Accounts

Report and Financial Statements

Year ended 31 March 2023

Keech hospice care

Company No. 2904446
Registered Charity No. 1035089

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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.

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 show 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.

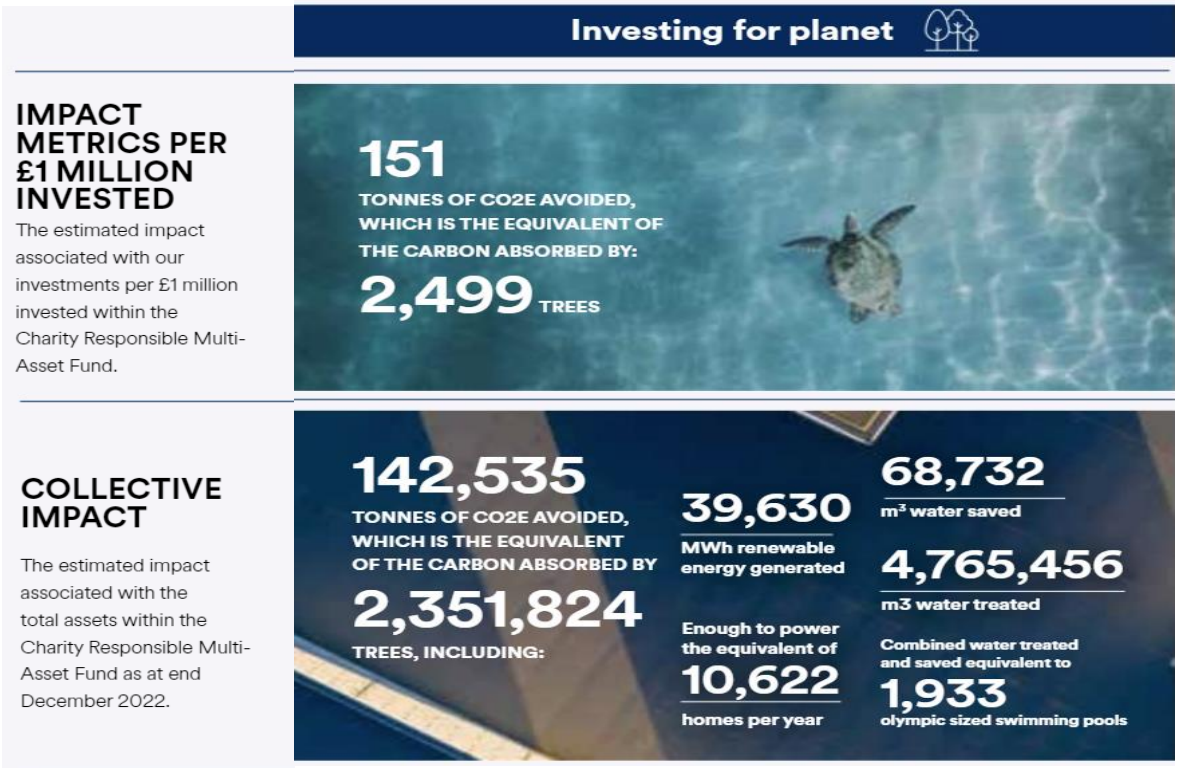
The Audit and Risk Committee, comprising trustees and two independent members (one of whom is the Chair), monitors all risks faced by the charity and meets every two to three months. It has a direct reporting line into the trustee board meetings and forms an important role in the overall assurance framework.

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 news 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

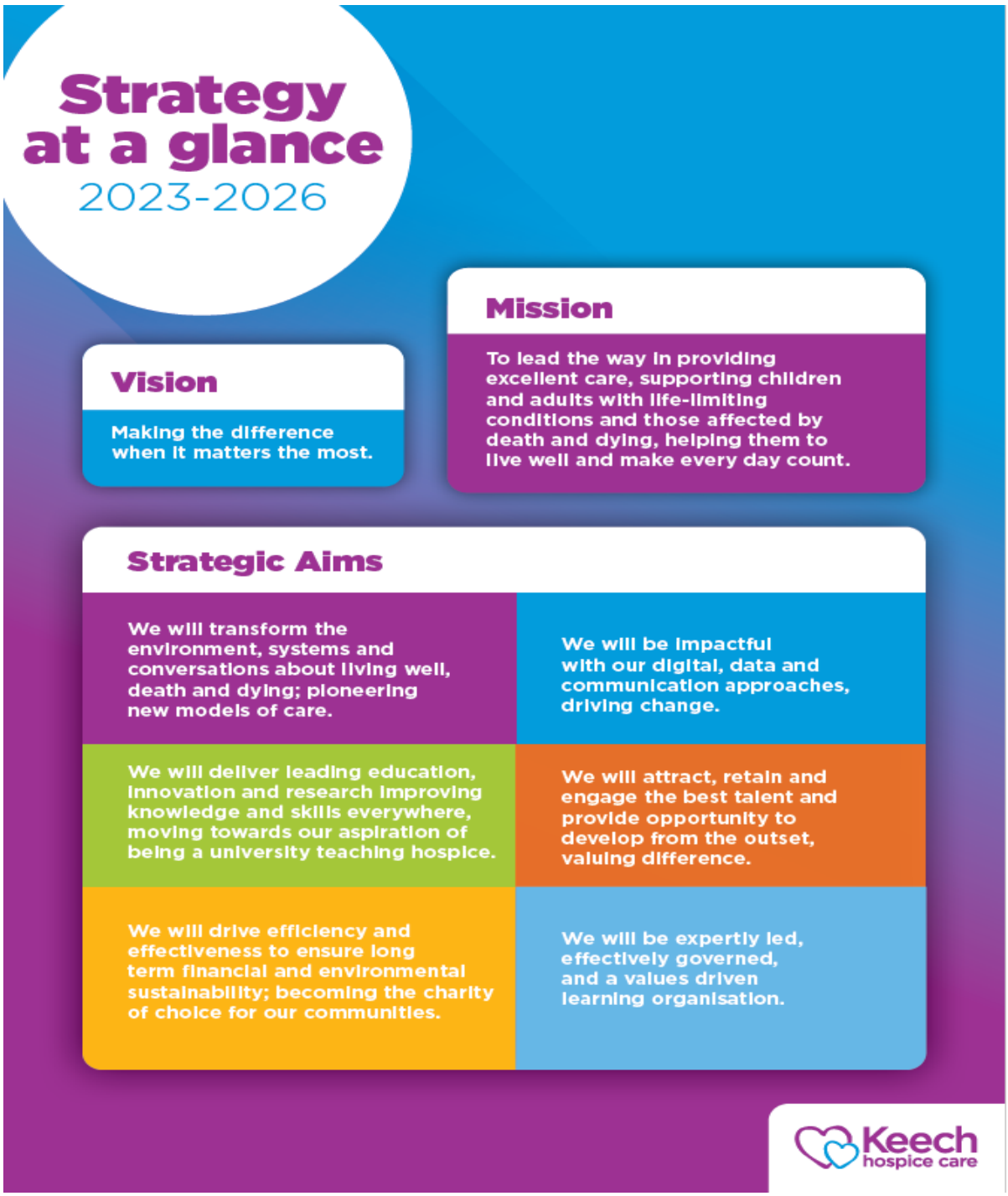
Haysmacintyre LLP was appointed as the charitable company's auditor during the year and has expressed its willingness to continue as auditors for the next financial year.

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".



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.

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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 PEoLC 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 a 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.

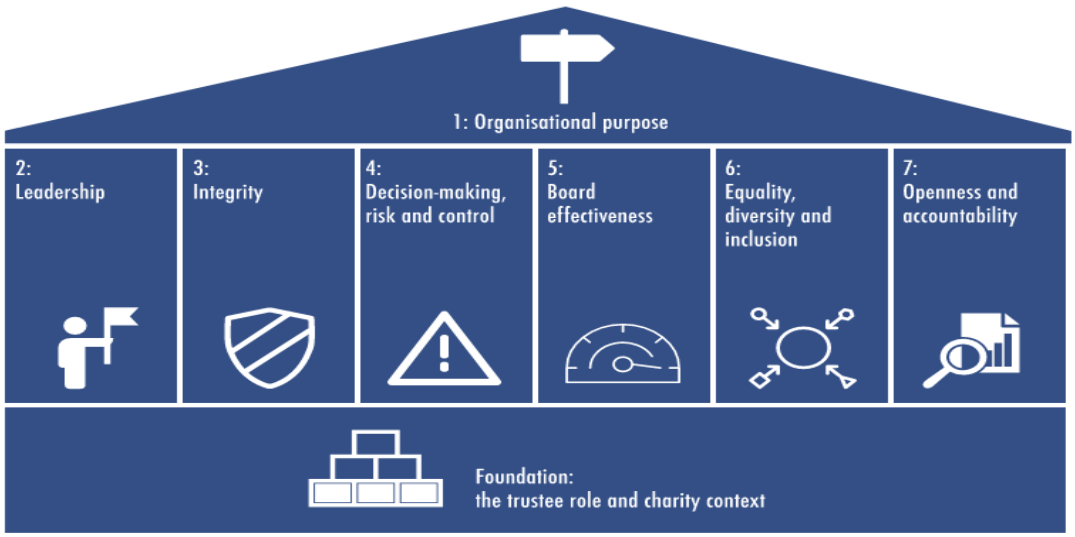
All grades may be eligible for an inflationary annual pay award, if this is affordable, and will be based upon continued benchmarking. We have also responded during the year to the cost of living crisis and rising costs, by offering all staff an economic impact payment and a range of financial assistance 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.

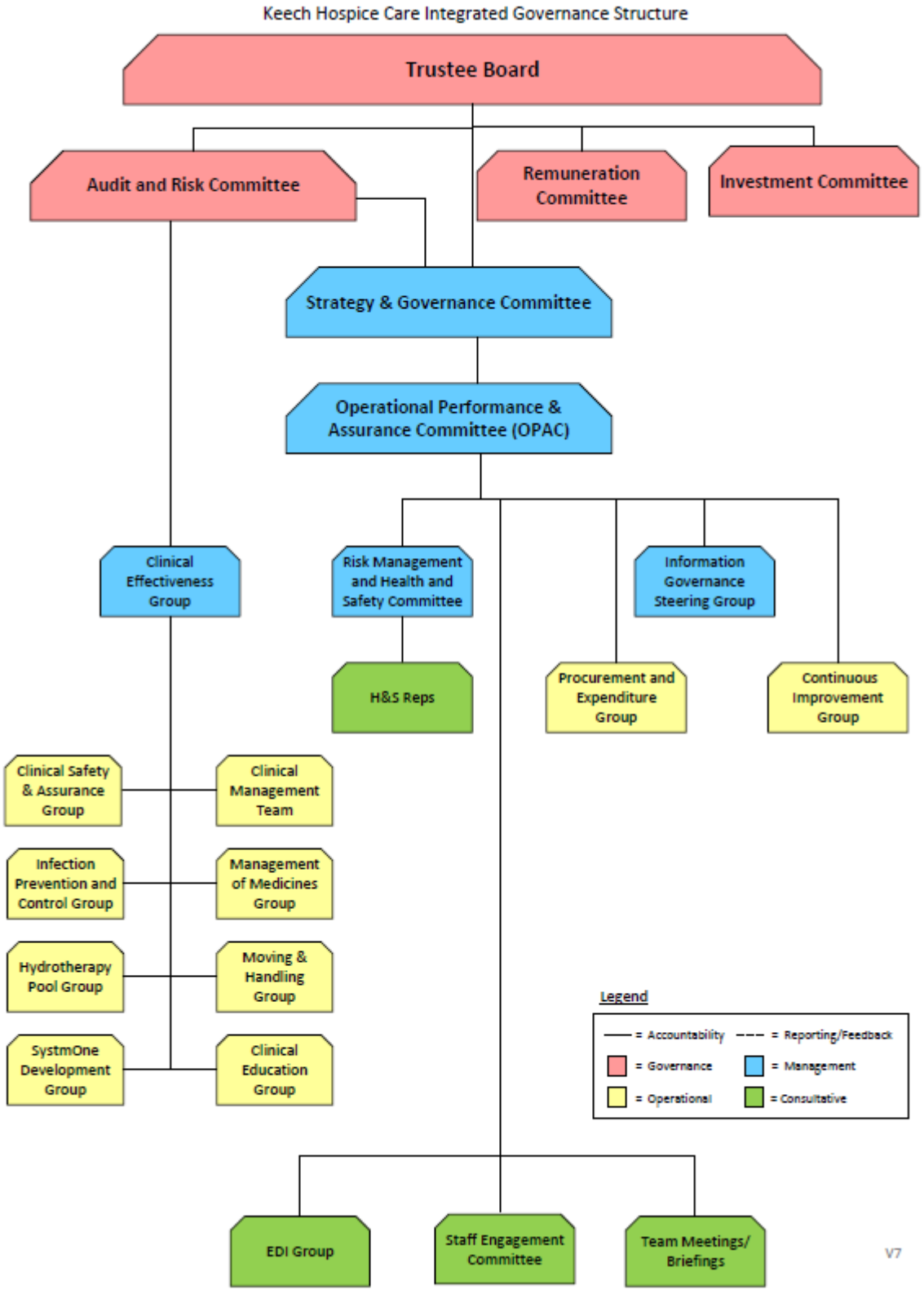
Trustees conduct regular formal 'trustee visits'. These are currently under review for improvements. Although these are no longer required by the Care Quality Commission, the Board has decided to continue them as they have proven beneficial for the organisation and individual trustees in their role. 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
Trustee Board
Audit and Risk Committee
Remuneration Committee
Investment Committee
Strategy & Governance Committee
Operational Performance & Assurance Committee (OPAC)
Clinical Effectiveness Group
Risk Management and Health and Safety Committee
Information Governance Steering Group
H&S Reps
Procurement and Expenditure Group
Continuous Improvement Group
Clinical Safety & Assurance Group
Clinical Management Team
Infection Prevention and Control Group
Management of Medicines Group
Hydrotherapy Pool Group
Moving & Handling Group
SystmOne Development Group
Clinical Education Group
Legend
= Accountability
= Reporting/Feedback
= Governance
= Management
= Operational
= Consultative
EDI Group
Staff Engagement Committee
Team Meetings/ Briefings
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.

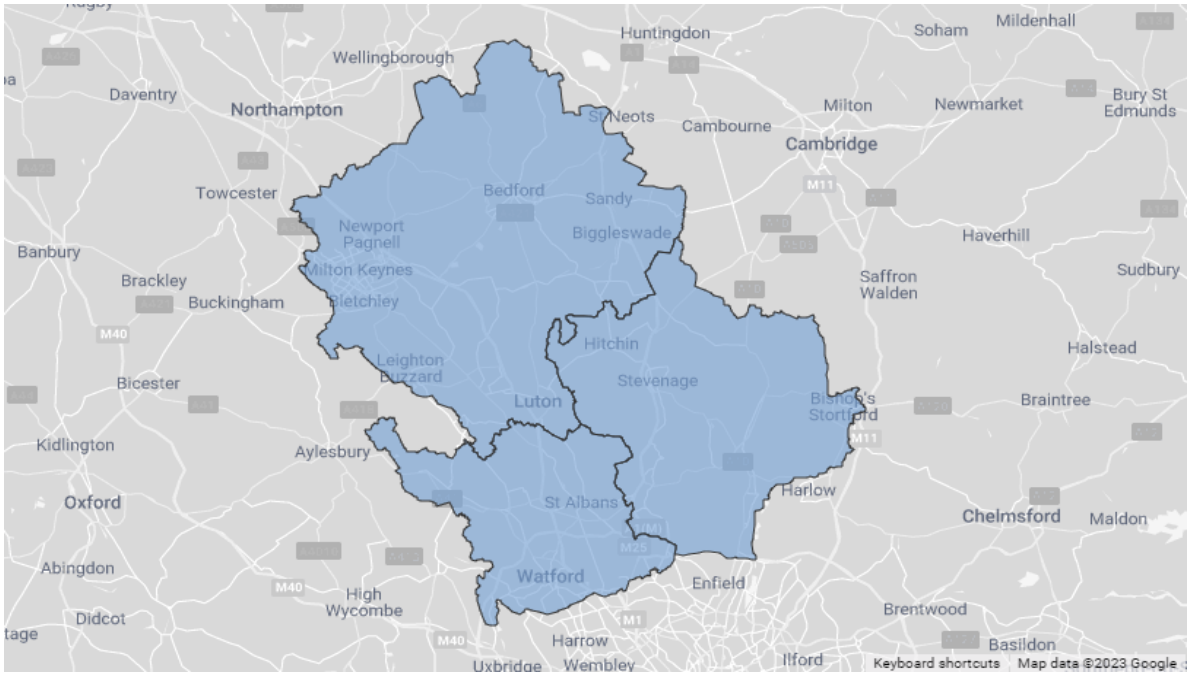
In 2021 HospiceUK wrote their Future Vision Programme, below, outlining considerations for hospices in future strategy and direction. The report draws together the views of all stakeholders in exploring future sustainability within the sector. They asked them to suggest ways in which Hospices might collaborate, 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:

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.

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

		2023			2022		
		Unrestricted	Restricted	**Total**	Unrestricted	Restricted	**Total**
	Notes	£'000	£'000	**£'000**	£'000	£'000	**£'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		2,173	1,155	**3,328**	2,055	1,757	**3,812**
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**
		4,942	1,250	**6,192**	4,150	1,045	**5,195**
Investment income	7	92	-	**92**	1	-	**1**
Other Operating Income	6	317	-	**317**	735	-	**735**
Total income		**10,352**	**3,043**	**13,395**	**12,020**	**3,859**	**15,879**
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		4,902	2,176	**7,078**	3,382	2,786	**6,168**
Trading expenditure		3,691	680	**4,371**	3,055	967	**4,022**
Total expenditure	10	**9,214**	**2,961**	**12,175**	**7,101**	**3,863**	**10,964**
Net income for the year		1,138	82	**1,220**	4,919	(4)	**4,915**
Gain / (Loss) on investment assets	17	(14)	-	**(14)**	-	-	**-**
Transfers between funds	26	107	(107)	**-**	53	(53)	**-**
Net movement in funds		1,231	(25)	**1,206**	4,972	(57)	**4,915**
Reconciliation of funds							
Total funds brought forward	26	18,507	364	**18,871**	13,535	421	**13,956**
Total funds carried forward	26	**19,738**	**339**	**20,077**	**18,507**	**364**	**18,871**

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**
	106	-	**106**
Cost of sales and administrative expenses			
Unrestricted	(60)	-	**(60)**
Governance	-	-	**-**
Amounts gift aided to Keech Hospice Care	(46)	-	**(46)**
	-	**-**	**-**
The aggregate of the assets, liabilities and funds was:			
Assets	32	4	**36**
Liabilities	(32)	(4)	**(36)**
Funds	**-**	**-**	**-**

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**
	94	-	**94**
Cost of sales and administrative expenses			
Unrestricted	(52)	-	**(52)**
Governance	-	-	**-**
Amounts gift aided to Keech Hospice Care	(42)	-	**(42)**
	-	**-**	**-**
The aggregate of the assets, liabilities and funds was:			
Assets	22	54	**76**
Liabilities	(22)	(54)	**(76)**
Funds	**-**	**-**	**-**

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	-
	3	**3**

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
	286	**242**	273	235

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 Unrestricted Funds £'000	2023 Restricted Funds £'000	**2023 Total £'000**	2022 Unrestricted Funds £'000	2022 Restricted Funds £'000	**2022 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 2023 £'000	Charity 2023 £'000	Group 2022 £'000	Charity 2022 £'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
	1,415	**1,445**	4,239	4,309

20. Creditors: amounts falling due within one year

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

Movement on deferred income during the year:

	Group 2023 £'000	Charity 2023 £'000	Group 2022 £'000	Charity 2022 £'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 2022 £'000	Cash flows £'000	Other non-cash changes £'000	31 March 2023 £'000
Cash and cash equivalents				
Cash	7,831	2,273	-	10,104
	7,831	2,273	-	10,104
Borrowings				
Debt due within one year	-	-	-	-
Debt due after one year	-	-	-	-
	-	-	-	-
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	Other	Land and buildings	Other
	£'000	£'000	£'000	£'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.

Keech Hospice

England & Wales - Charity number 1035089

Accounts

Report and Financial Statements

Year ended 31 March 2022

Keech hospice care

Company No. 2904446
Registered Charity No. 1035089

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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.

Trustees, officers and professional advisors

Served in the year and up to 21 September 2022

Trustees

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

Audit and Risk Committee

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

Trading companies

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

Senior Leadership Team

Executive directors

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

Associate Directors

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

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

Registered Office

Great Bramingham Lane
Streatley
Luton
LU3 3NT

Auditor

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Bankers

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

Solicitors

Pictons LLP
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 2022. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS102 (second edition 2019).

Directors' Report

The trustees present their report for the year ended 31 March 2022, which should be read in conjunction with the Strategic Report.

Reference and administrative details

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

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

Objectives and activities

Objectives

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

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

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

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

Principal activities

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

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

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

Supportive care signifies services provided by social workers, therapists (talking, occupational, physiotherapy, spiritual, music, art and complementary) and bereavement care workers. This ensures the charity's care takes a holistic approach that not only considers the patient's condition, life and circumstances, but also supports and cares for the patient's family and other significant people in their life. The charity provides its services free to patients, carers and families to ensure accessibility. Last year we launched our Compassionate Communities programme, aiming to improve conversations on death and dying and grief in our community.

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

The fundraising and retail teams - and, of course, the incredibly generous members of the public, corporations and trusts - generate the vital income needed by the charity to supplement the lower level of statutory funding (from the NHS, local authorities and the Department of Health. However, 2021/22 was again a challenging year, significantly affected by the pandemic with restrictions limiting fundraising activity. However, whilst the public remain cautious about returning to events our retail operation has seen a strong and encouraging bounce back. We have still received wonderful support from our community but inevitably we were unable to generate the same levels of income across many of our usual income streams.

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

It cost £6.2m to provide our services in 2021/22 and, as a result of this additional funding, around 50% came from statutory funding which allowed the charity to support our community and the wider NHS system during the pandemic. This additional funding ended on 31 March 2022 and 2022/23 will see us return to around 35% income from our local commissioners, statutory funding.

Public benefit

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

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

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

Structure, governance and management

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

Day-to-day management

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

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

Investment policy and returns

The main purpose of the charity is to provide hospice care and, because of the uncertainty of fundraising income streams, it is necessary to ensure that funds are always readily available for use to ensure that levels of care are not adversely affected in the event of any short-term income reduction.

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

Trustees

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

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

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

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

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

It is the charity's policy and practice to provide trustees with appropriate training to undertake their role and to ensure that new trustees receive appropriate induction to the charity and to the role of a charity trustee and company director. In particular, new trustees attend a corporate induction day and we are looking at a potential scheme to provide them with a mentor trustee who would give them specific support over the first 12 months of their trusteeship. Trustees are also required to complete ongoing mandatory training and we also provide additional training, with topics in 2022 including Equity, Diversity and Inclusion and Appetite to Risk.

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

Responsibilities of the trustees

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

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

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Going concern

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

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

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

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

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

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

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

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

In addition to annual budgeting and monitoring, a rolling three-year financial forward plan is maintained and reviewed annually by the trustees to provide further assurance that the charity will continue as a going concern. Furthermore, the culture of the organisation is such that the trustees have confidence that, if any budgetary problem were to arise, it would be flagged up promptly so that measures to address it could be identified and evaluated swiftly. A monthly financial dashboard is circulated to Trustees detailing reserves, cash-flow, out-turn, income and expenditure which provides up-to-date information on the financial status of the organisation and a series of contingency plans are also regularly reviewed and updated should significant savings be required at short notice.

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

Auditors

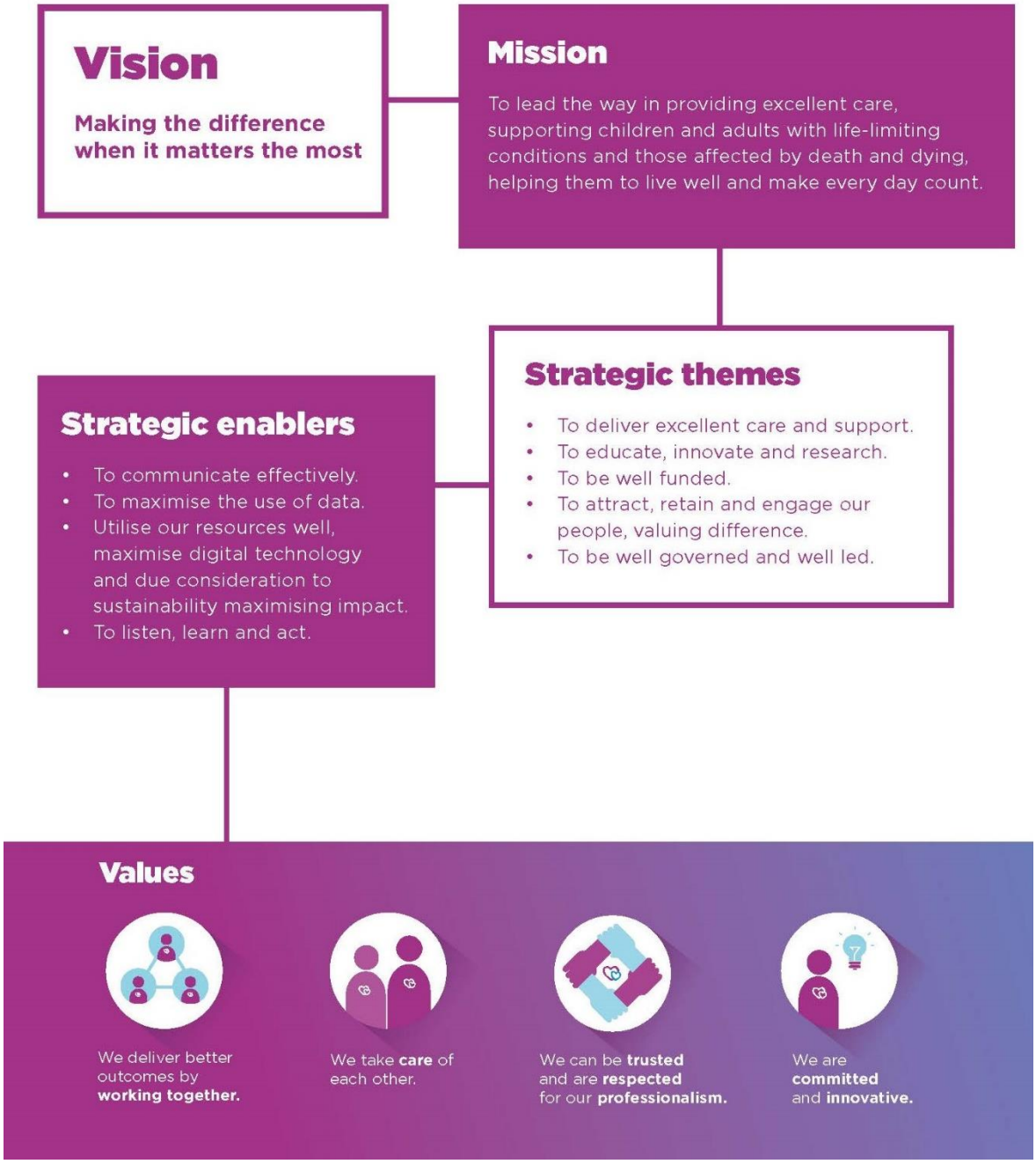
Haysmacintyre LLP was appointed as the charitable company's auditor during the year and has expressed its willingness to continue as auditors for the next financial year.

Strategic Report

The trustees present their strategic report for the year ended 31 March 2022, which should be read in conjunction with the Directors' Report, which contains further strategic information.

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

The trustees, staff and volunteers of the charity conducted a strategic review during 2017. The review included revisiting and reaffirming the charity's vision, mission, values and philosophy of care. In 2022/23 the charity will be rewriting its strategy "Palliative Care in a post pandemic world".



Vision

Making the difference when it matters the most.

Mission

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

Values

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

Philosophy of care

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

Strategic themes and enablers

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

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

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

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

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

Achievements and performance

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

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

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

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

This past year is reviewed against the charity's five main strategic aims for 2021/2022 and these were as follows:

(i) Deliver excellent care

We continued to provide excellent care through our in-patient, community, day therapy and out-reach services. Total beneficiaries for 2021/22 were 2,589 people, incorporating patients (those with a diagnosis of a life limiting condition), their relatives and carers.

Adult services

A total of 1,520 adult patients were cared for in 2021/22, a total that incorporates those who access the in-patient unit, out-patient facilities, therapies and social work team, My Care Coordination Team and the hydrotherapy pool. Many patients use multiple services which ensures a patient-centred, bespoke plan of care is in place for them.

The **My Care Co-ordination Team** supported 1,104 patients in the year. The team operates a 24/7 support line and offers 8am to 5pm (seven days a week) co-ordination of packages of care for people living in Luton with a progressive, life-limiting illness. The team work with acute community, social care professionals and other voluntary organisations to support the patient to remain in their preferred place of care, wherever this should be.

The **Wellbeing Centre** (WBC) is the out-patient facility for adult patients which offers programmes of care that support patients to achieve their goals and maximise function and independence. There is also a rehabilitation team who work within the WBC who offer 1-1 sessions and group care.

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

Children's services

A total of 327 children were cared for in 2021/22, a total that incorporates those who access the in-patient unit, community services, play services, therapies, social work team and the hydrotherapy pool. Many patients use multiple services which ensures a patient-centred, bespoke plan of care is in place for them.

The children's **community team** provided 310 children and their families with 1,669 community visits and 950 telephone calls.

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

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

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

Supportive care services

Our Social Work team consists of two specialist palliative care social workers and three assistants. As a team they cared for 274 adult patients and their families and 116 child patients and their families.

The Charity delivered its adult services contracts in Luton and South Bedfordshire and its children's services contracts in Luton, Bedfordshire, Hertfordshire and Milton Keynes, to the satisfaction of all of our commissioners, who have renewed their contracts for 2021/22 and continue to work in collaboration with the charity.

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

Compassionate communities programme

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

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

(ii) Educate, innovate and research

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

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

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

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

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

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

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

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

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

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

(iii) Be well funded

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

Due to the continuing impact of the COVID-19 pandemic, 2021/22 was a reactive year adapting to the easing of restrictions, with income affected in a variety of ways. Thanks to the support received from our local community and trusts, legacies, and government support through a range of schemes, total income in 2021/22 was £15,878k (2020/21: £12,629k).

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

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

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

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

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

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

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

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

On behalf of all the adults, children and their families we continue to support, a massive thank you to all our funders and donors.

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

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

During the year, the charity employed an average of 259 members of staff (213 full-time equivalent). Just under 50% of our staff work less than full time. We also are thankful for the support, commitment and dedication of 1,420 volunteers working in 144 different roles across care, retail, fundraising and support functions.

The charity continues to be honoured to have achieved the highest accolade a voluntary group in the UK can have: The Queen's Award for Voluntary Service. This prestigious and highly sought-after award recognises volunteer groups whose outstanding work benefits their communities. To celebrate this achievement two volunteers were invited to a Buckingham Palace Royal garden party.

The pandemic has continued to affect all of our staff and volunteers in different ways. Many of our care services have seen an increase in demand and we have strived to meet this whilst putting the safety and wellbeing of our staff at the forefront. Our retail operation has fully reopened following periods of closure and is back to performing at pre pandemic levels. The majority of our support and fundraising staff moved to working from home during the pandemic and are now adopting a hybrid working approach, using learnings and systems from the pandemic to work some days from home and others from the office.

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

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

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

Attracting and retaining the best people is our top priority which means offering a remuneration and reward package that is competitive and fair, but also sustainable. We have conducted a thorough review of our pay structures and movement within pay scales and ensured these are now benchmarked with the NHS and other relevant organisations. Our Equality Statement also reflects our intent to be more representative of the communities we serve which is a sentiment that is reflected in our values and underpins behaviours.

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

Pay policy

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

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

Doctors are paid in line with NHS speciality doctor scales.

Senior management have also been moved onto the new pay scales grade system. The Board of Trustees recognises that employment of first-class senior managers is vital if the hospice is to maximise the quality, efficiency and income of the charity and allow us to deliver our purpose. Senior management pay progression is reviewed by the Remuneration Committee. The pay ratio for the charity is less than 1 to 6, which means the highest paid employee is paid less than six times the lowest paid employee.

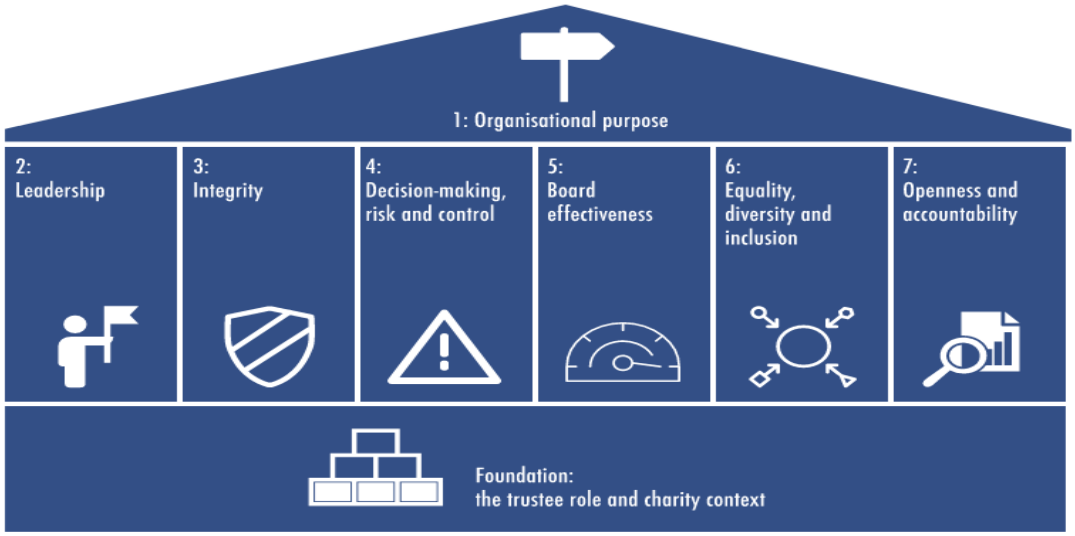
All grades may be eligible for an inflationary annual pay award, if this is affordable, and will be based upon continued benchmarking.

(v) Be well governed and well led

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

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

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



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

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

Assessing performance

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

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

Financial review

The detailed figures for the year ended 31 March 2022 are set out in the financial statements that follow this Trustees' Report.

Expenditure

Excluding retail spend, expenditure was £6,942,000 (2021: £7,097,000) of which £5,444,000 (78%) was spent on hospice care services (2021: £5,593,000 / 79%). The proportion of expenditure on hospice care services has remained constant between years which represents our focus on maintaining our care services, despite all the challenges, during a time when they were most in demand.

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

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

Income

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

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

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

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

Funds and reserve transfers

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

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

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

Balance Sheet

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

Further details of the funds analysis can be found in notes 20, 24 and 25 of the consolidated financial statements.

Reserves Policy

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

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

The Reserves Policy agreed by trustees sets a target for unrestricted undesignated reserves of between six and nine months of budgeted total operating costs less the budgeted direct costs of fundraising and trading.

It is not the charity's aim to simply allow reserves to continue to build up as funds have been provided and donations have been made to be spent on care services. However, it is very difficult, highlighted by the effects of the Covid-19 pandemic, to predict with certainty the Charity's income. By setting a range of six to nine months we are building in a tolerance that allows the charity time to manage short-term fluctuations in income without the need to reduce costs and services. The charity can then review its longer-term financial strategy and adjust income and expenditure plans, as required, to ensure the requirements of the reserves policy continue to be met.

For the year 2022/23, the policy target range is between £3.731m and £5.597m. This Reserves Policy allows the charity to continue to provide care of the expected quality to meet the needs of patients as well as aiding the development of income streams and reducing costs.

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

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

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

It is worth noting that many charities do not exclude the direct costs of fundraising and trading and if we were to include those then our unrestricted undesignated reserves would represent around 6 months of total expenditure.

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

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

Risk management

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

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

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

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

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

Principal risks and uncertainties

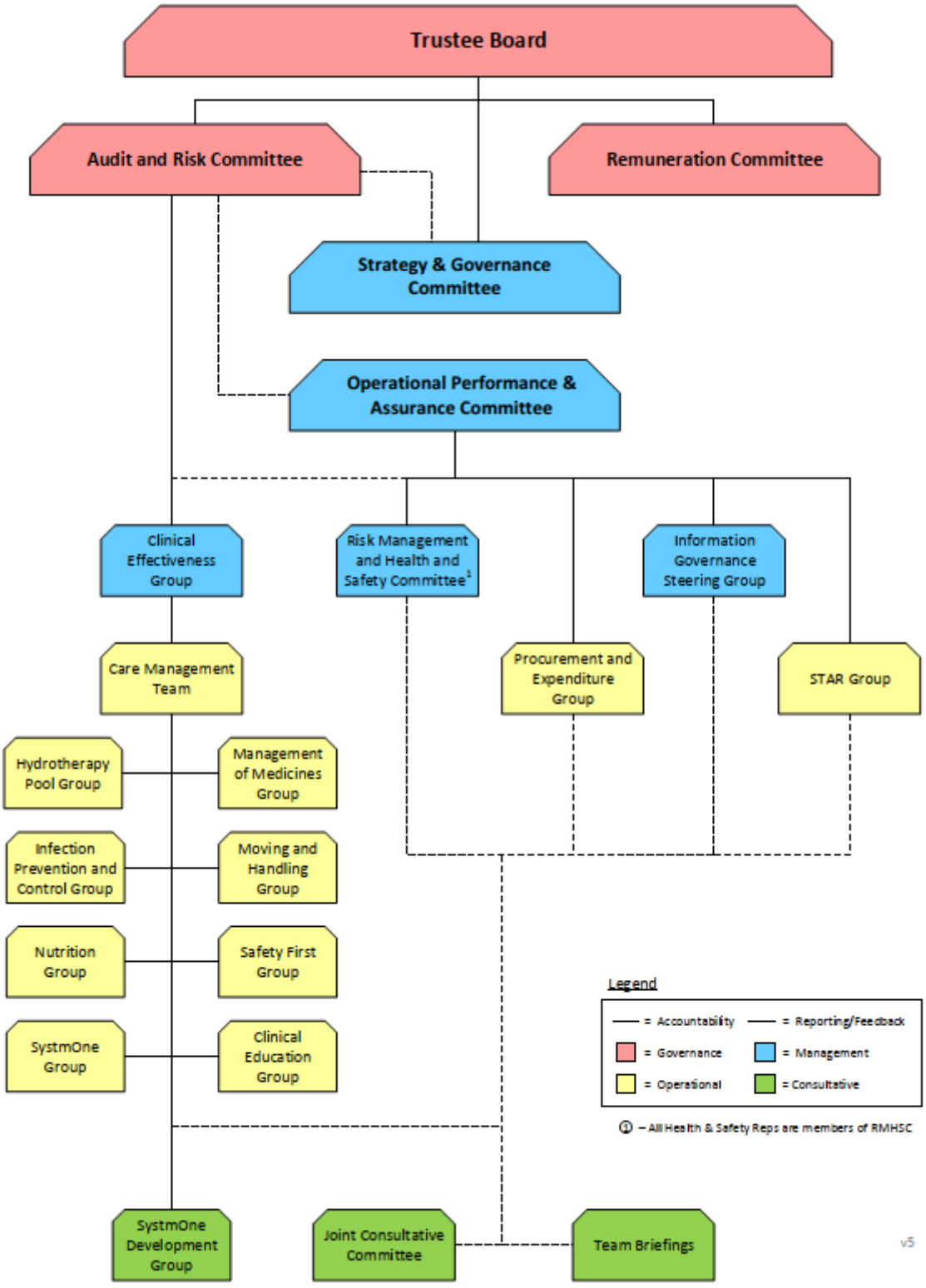
The over-riding risk facing the charity is one of reputational damage, which could result from any of the following risks and/or lead to one of these risks arising. Beyond reputational risk, the four main areas of risk are:

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

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

Keech hospice care

Keech Hospice Care Integrated Governance Structure



Fundraising practice

Keech Hospice Care is committed to maintaining high standards of fundraising and retail activity. We are registered with the Fundraising Regulator and licensed by the Gambling Commission. We are members of the Institute of Fundraising, the Charity Retail Association, Hospice UK and Together For Short Lives. We are committed to the Fundraising Codes of Practice and our contracted professional fundraising agency for new lottery players is also required to adhere to the Codes of Practice. We also follow the Charity Commission's guidance, Charity fundraising: a guide to trustee duties (CC20).

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

Sustainability

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

We aim to become a more environmentally sustainable organisation by ensuring our buildings operate efficiently and we continue to make use of technology to support remote working and reduced travelling, cost improvement and streamlined work practices to ensure we maximise the spend on our patient services. We have a new sustainability policy to ensure we comply with environmental legislation and deliver and actively promote good sustainable development practices across all hospice activities.

Future activities

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

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

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

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

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

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

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

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

Whilst we find ourselves in a strong financial position we still face challenges with uncertainty over some areas of our income following the pandemic, rising costs and inflation outside our control, as well as the need for us to work in a new and more competitive commissioning environment. With this in mind we continue to work, and be aware of opportunities to collaborate and share resources and knowledge, with other hospices and to allow us to meet the rising demand for our services and build long term resilience of the Charity.

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

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

We continue to be in economic uncertain times following Brexit, the wide-reaching impact of the pandemic, the Ukraine Russia conflict and rising inflation. We continue to control our costs tightly, maximise our income and look for new opportunities. Our focus will be on how we can invest for our future.

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

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

In summary, we must:

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

The Trustees' Annual Report, which incorporates the Strategic Report was approved by the trustees on 21 September 2022, and is signed as authorised on its behalf by:

Clive Medlam
Chair of Trustees and Director
Keech Hospice Care

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

Opinion

We have audited the financial statements of Keech Hospice Care for the year ended 31 March 2022 which comprise the Group Statement of Financial Activities, The Group and Parent Charitable Company Balance Sheet, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2022 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the use of restricted funds, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006 and the Charities Act 2011, Charities Statement of Recommended Practice (second edition 2019), and consider other factors such as income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to care quality compliance, gambling commission and compliance with employment law Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

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

10 Queen Street Place
London
EC4R 1AG

Consolidated Statement of Financial Activities

(including Income & Expenditure Account)

for the year ended 31 March 2022

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

The results are derived from continuing activities. All gains and losses recognised in the year are included above. The surplus for the year comprises the net income for the year and was £4,915,000 (2021: £1,950,000 surplus).

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

Balance Sheet
as at 31 March 2022
Company number: 2904446

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

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

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

Clive Medlam
Chair of Trustees

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

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

To be viewed in conjunction with Note 19

Notes to the Accounts

1. Accounting policies

Accounting convention

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

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

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

Currency

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

Title

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

Going concern

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

Fund accounting

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

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

Restricted Funds - Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. A fair proportion of overheads are allocated to the specific funds where appropriate.

Investment income and gains are allocated to the appropriate fund.

Income

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

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

Expenditure

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

- **Fundraising costs** are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.
- **Trading costs** are those incurred in undertaking trading activities (including retail).
- **Cost of charitable activities** are those which directly relate to activities which further the charitable objectives of the charity.

- **Governance costs** include the cost of the audit of statutory accounts; the cost of trustee meetings; the cost of legal advice to trustees on constitutional or governance matters; and a charge for the salary cost of senior management to cover time spent on compliance with constitutional or statutory requirements. These have been allocated to activity cost categories on the basis of headcount within each activity.
- **Support costs** include central functions and have been allocated to the four activity cost categories detailed above on a basis consistent with the use of resources.

Interest receivable

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

Tangible fixed assets and depreciation

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

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

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

Stock

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

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Financial instruments

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

Operating lease agreements

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

Contribution to pension funds

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

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

Taxation

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

Estimates and judgements

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

Judgements

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

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

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

Estimates

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

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

2. Company structure

The charity is a private company limited by guarantee incorporated in England and Wales. The members of the company are the trustees named on page 3. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. At 31 March 2022, the number of such guarantees was 12 (2021: 13).

3. Contingent liabilities

Sales of goods donated under the retail gift aid scheme are recognised as income at the point of sale. Technically, the sale proceeds, less commission, belong to the donor until 21 days elapse after we write to the donor to inform them of the sale. It is rare for a donor to ask for their sales proceeds to be returned but, at the year-end, there was £200,389 (2021: £11,072) of income that was within this 21-day timeframe so could potentially be asked to be returned. The accounts also include the £50,097 (2021: £2,768) of gift aid that is recoverable on these donations. At the date of signing the accounts, this timeframe had elapsed and £239 (2021: £219) of this income had been returned to donors.

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

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

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

(b) Donations and legacies (prior year)

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

5. Grants received

	2022 £'000	2021 £'000
Grant contribution funded by NHS England - Children's Hospice Grant	358	348
Grant contribution funded by NHS England - COVID-19 Support	920	2,345
	1,278	**2,693**

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

6. Other Operating Income

	Unrestricted Funds 2022 £'000	Restricted Funds 2022 £'000	Total 2022 £'000	Unrestricted Funds 2021 £'000	Restricted Funds 2021 £'000	Total 2021 £'000
Retail, Hospitality and Leisure Grant Fund	154	-	154	444	-	444
Coronavirus Job Retention Scheme	19	-	19	897	-	897
Insurance Claim Proceeds	559	-	559	100	-	100
Sundry Income	3	-	3	-	-	-
	735	-	**735**	1,441	-	**1,441**

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

Trading operations and related companies

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

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

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

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

	Keech Hospice Care Trading 2022 £'000	Pasque Charity (Trading) 2022 £'000	**Total 2022 £'000**
Turnover			
Sale of bought-in goods	72	-	**72**
Conference sales	0	-	**0**
Corporate fundraising agreements	4	-	**4**
Catering sales	18		**18**
	94	-	**94**
Cost of sales and administrative expenses			
Unrestricted	(52)	-	**(52)**
Governance	-	-	**-**
Amounts gift aided to Keech Hospice Care	(42)	-	**(42)**
	-	**-**	**-**
The aggregate of the assets, liabilities and funds was:			
Assets	22	54	**76**
Liabilities	(22)	(54)	**(76)**
Funds	**-**	**-**	**-**

Amounts owed to the parent undertaking are shown in Note 17. Included within cost of sales and administration expenses above is a management charge of £12,257 (2021: £8,245) from the parent charity.

(b) Activities for generating funds (prior year)

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

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

	Unrestricted Funds £'000	Restricted Funds £'000	**Total 2022 £'000**
Core NHS agreements	806	-	**806**
Local Authority & NHS agreements for specific care	55	17	**72**
Specialist palliative care payments for specific purposes	376	34	**410**
Statutory contributions to pension costs	-	22	**22**
Grant contribution funded by NHS England - COVID-19 Support	-	576	**576**
Restricted Donations	-	133	**133**
Subtotal for the Adults Service	1,237	782	**2,019**
Subtotal for the Wellbeing Centre	-	-	**-**
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	1,756	**3,812**
Total restricted donations	-	(356)	**(356)**
Total statutory income	2,055	1,400	3,456

(b) Income from charitable activities (prior year)

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

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

	Staff costs £'000	Other Direct costs £'000	Deprec-iation £'000	Support costs £'000	Gover-nance £'000	**2022 Total £'000**
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**	**-**	**-**	

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

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

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

(b) Analysis of Expenditure (prior year)

	Staff costs £'000	Other Direct costs £'000	Deprec-iation £'000	Support costs £'000	Gover-nance £'000	**2021 Total £'000**
Cost of generating funds						
Fundraising	520	216	0	36	6	**778**
Trading	1,892	1,389	92	181	28	**3,582**
Total cost of generating funds	**2,412**	**1,605**	**92**	**217**	**34**	**4,360**
Cost of charitable activities						
Adult hospice	1,840	463	130	351	22	**2,806**
Children's hospice	1,545	350	147	260	19	**2,321**
Supportive Care	630	83	-	43	7	**763**
Educate and Communicate	313	92	-	21	3	**429**
Total cost of charitable activities	**4,328**	**988**	**277**	**675**	**51**	**6,319**
Governance costs	46	36	-	3	(85)	-
Support costs	293	505	97	(895)	-	-
Total Expenditure	**7,079**	**3,134**	**466**	**-**	**-**	**10,679**
Total Expenditure (prior year)	**7,220**	**3,046**	**468**	**-**	**-**	

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

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

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

10. Analysis of staff costs

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

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

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

	2022 Number	2021 Number
£60,000 - £69,999	1	3
£70,000 - £79,999	1	-
£80,000 - £89,999	-	1
£90,000 - £99,999	1	-
	3	**4**

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

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

11. Staff numbers

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

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

The hospice had an average of 1,466 volunteers during the year (2021: 1,420), of which 888 (2021: 870) worked in our retail operations and 578 (2021: 550) supported the charitable and administrative work of the hospice. We are extremely grateful for their efforts.

12. Pension costs

Contributions to the defined contribution pension scheme for the period were £239,000 (2021: £243,000). Contributions outstanding at the year-end totalled £44,000 (2021: £41,000).

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

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

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

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

Every four years, the Government Actuary conducts a full actuarial review of contribution rates. In order to defray the costs of benefits, in 2021/22 employers paid contributions of 14.38% of pensionable pay and employees contributed on a tiered scale from 5%-14.5% of their pensionable pay, depending on total earnings. Further information on benefits can be obtained from the NHS Pension Scheme website.

13. Movement in total funds for the group

Movement in total funds is arrived at after charging:

	2022	2021
	£'000	£'000
Auditor's remuneration - Audit Fee (Group)	20	18
Operating lease rentals - land and buildings	748	702
Depreciation	479	467

14. Trustees' remuneration and expenses

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

No trustees received reimbursement of expenses during the year in their role as trustee (2021: None).

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

15. Tangible fixed assets

	Freehold Land and Buildings £'000	Leasehold Property Improve-ments £'000	Hospice Care Equipment £'000	Office Equipment £'000	Fixtures and Fittings £'000	Motor Vehicles £'000	Total £'000
GROUP AND CHARITY							
Cost							
At 1 April 2021	10,826	1,679	421	728	1,255	97	**15,006**
Additions	-	18	39	71	156	-	**284**
Disposals	-	-	-	-	-	-	**-**
Transfers	-	-	-	-	-	-	**-**
At 31 March 2022	**10,826**	**1,697**	**460**	**799**	**1,411**	**97**	**15,290**
Depreciation							
At 1 April 2021	3,345	1,494	386	699	908	96	**6,928**
Charge for year	217	69	24	17	151	1	**479**
Disposals	-	-	-	-	-	-	**-**
At 31 March 2022	**3,562**	**1,563**	**410**	**716**	**1,059**	**97**	**7,407**
Net book value							
At 31 March 2022	**7,264**	**134**	**50**	**83**	**352**	**-**	**7,883**
At 1 April 2021	7,480	185	35	31	346	1	**8,078**

All of the above assets are used for charitable purposes.

16. Stock

	Group 2022 £'000	Charity 2022 £'000	Group 2021 £'000	Charity 2021 £'000
Goods for resale	**13**	**-**	21	-

17. Debtors

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

18. Creditors: amounts falling due within one year

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

Creditors: amounts falling due after more than one year

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

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

Movement on deferred income during the year:

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

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

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

	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**

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

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

20. Analysis of net assets (current 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**
Creditors > 1 year	-	-	-	**-**
	6,124	**12,383**	**364**	**18,871**

21. Analysis of net assets (prior year)

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

22. Financial commitments

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

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

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

23. Related parties transactions

Keech Hospice Care (Trading) Ltd, a wholly owned subsidiary of the charity, was charged by the charity, during the period, a management fee of £9,373 (2021: £6,457) and a fee for the use of the charity's logo, name and data of £2,884 (2021: £1,788). The company has made a charitable donation of its taxable profits of £42,563 (2021: £814) to the charity. At 31 March 2022, the company owed £16,977 (2021: £11,950) to the charity.

Pasque Charity (Trading) Limited, a related company undertaking collects sums on behalf of the charity relating to the lottery. At 31 March 2022, the company owed £53,506 (2021: £44,731) to the charity.

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

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

24. Consolidated statement of funds (current year)

	Funds Brought Forward £'000	Income £'000	Expenditure £'000	Transfers Between Funds £'000	Funds Carried Forward £'000
Unrestricted funds					
General fund	5,118	12,017	(6,280)	(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**	**12,017**	**(7,098)**	**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	72	(71)	(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**	**3,862**	**(3,866)**	**(53)**	**364**
Total funds	**13,956**	**15,879**	**(10,964)**	**-**	**18,871**

Designated funds

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

Restricted funds

Adult revenue fund	Income and expenditure which specifically relates to the provision of adult services.
Hospice at Home	Income received for provision of the Hospice at Home service.
Adult social work fund	Income received to provide an adult social worker service.
Adult Living Appeal	Income received to provide palliative care for adults.
Adult activity funds	Small miscellaneous restricted funds relating to adult services.
Children's revenue fund	Income and expenditure which specifically relates to the provision of children's services.
Children's complementary therapy	Income received to provide a complementary therapy service for children.
Children’s development board	Income received to expand children’s services in Hertfordshire.
Children's investments	The market value of investments given for the provision of children's services.
Children's activity funds	Small miscellaneous restricted funds relating to children's services.
Children’s courtyard capital project	Funds received to develop a courtyard garden for children on the children’s in-patient unit and those using day support.
Pension contribution	Funds received from the NHS to offset increased employer pension costs.
Other activity funds	Other small miscellaneous restricted funds.
Children's capital projects	Grants received for capital projects within the children's in-patient unit.

Capital Projects - Both	Funds received to carry out various capital projects across the hospice, including development of the Wellbeing Centre.
Hydrotherapy Pool Appeal	Funds received to improve the impact of the hydrotherapy pool by developing new specialist support and facilities.
NHS England Grant	The NHSE awarded funding to allow the hospice to make available bed capacity and community support from December 2021 to March 2022 to provide support to people with complex needs in the context of the COVID-19 situation.

25. Consolidated statement of funds (prior year)

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

26. Analysis of material transfers between funds

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

Keech Hospice

England & Wales - Charity number 1035089

Accounts

Report and Financial Statements

Year ended 31 March 2021

Keech hospice care

CELEBRATING 30 YEARS OF CARE

Company No. 2904446
Registered Charity No. 1035089

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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.

Trustees, officers and professional advisors

Served in the year and up to 23 September 2021

Trustees

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

Audit and Risk Committee

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

Trading companies

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

Executive directors

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

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

Registered Office

Great Bramingham Lane
Streatley
Luton
LU3 3NT

Auditor

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Bankers

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

Solicitors

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

Pinney Talfourd LLP
78 Ongar Rd
Brentwood
CM15 9BB

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

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

Annual Report of the trustees

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

Directors' Report

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

Reference and administrative details

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

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

Objectives and activities

Objectives

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

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

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

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

Principal activities

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

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

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

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

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

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

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

Public benefit

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

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

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

Structure, governance and management

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

Day-to-day management

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

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

Investment policy and returns

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

Trustees

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

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

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

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

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

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

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

Responsibilities of the trustees

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

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

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Going concern

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Auditors

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

Strategic Report

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

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

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

Vision

Making the difference when it matters the most.

Mission

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

Values

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

Philosophy of care

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

Strategic themes and enablers

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

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

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

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

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

Achievements and performance

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

We improved our ranking from 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.

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

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

(i) Deliver excellent care

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

Adult services

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

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

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

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

Children's services

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

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

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

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

Supportive care services

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

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

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

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

(ii) Educate, innovate and research

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

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

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

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

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

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

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

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

(iii) Be well funded

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Pay policy

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

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

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

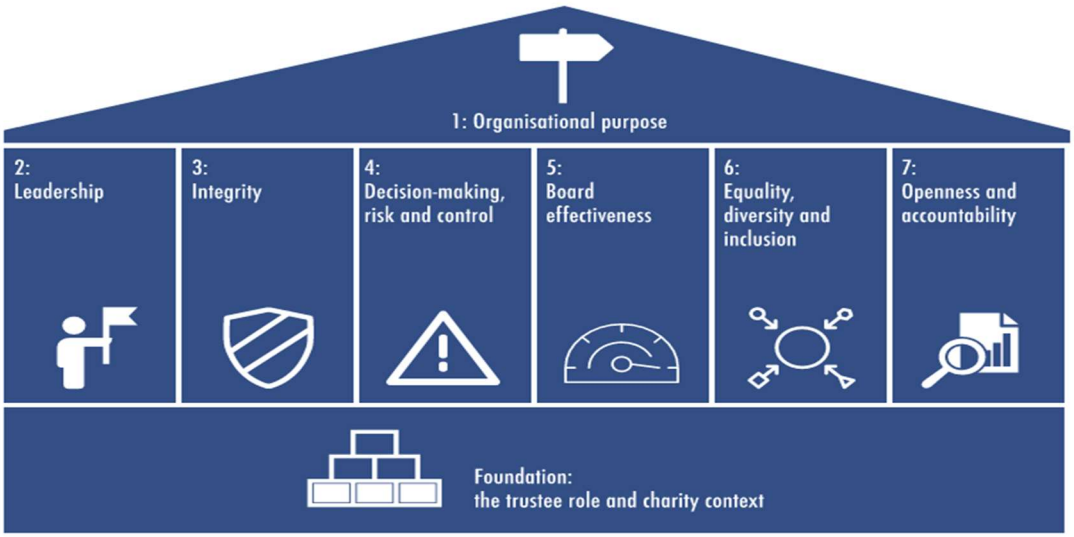
Senior management are not on the grade system. The Board of Trustees recognises that employment of first-class senior managers is vital if the hospice is to maximise the quality, efficiency and income of the charity and allow us to deliver our purpose. Salary levels for incoming senior managers are based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

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

(v) Be well governed and well led

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

We continue to monitor ourselves against the Charity Governance Code:



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

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

Assessing performance

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

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

Financial review

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

Expenditure

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

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

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

Income

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

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

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

Funds and reserve transfers

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

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

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

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

Balance Sheet

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

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

Reserves Policy

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

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

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

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

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

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

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

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

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

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

Risk management

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

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

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

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

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

Fundraising practice

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

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

Principal risks and uncertainties

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

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

Sustainability

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

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

Future activities

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

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

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

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

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

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

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

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

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

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

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

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

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

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

In summary, we must:

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

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

Clive Medlam
Chair of Trustees and Director
Keech Hospice Care

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

Opinion

We have audited the financial statements of Keech Hospice Care for the year ended 31 March 2021 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheet, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent charitable company's affairs as at 31 March 2021 and of the group and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

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

10 Queen Street Place
London
EC4R 1AG

……2021

Consolidated Statement of Financial Activities

(including Income & Expenditure Account)

for the year ended 31 March 2021

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

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

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

Balance Sheet
as at 31 March 2021
Company number: 2904446

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

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

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

Clive Medlam
Chair of Trustees

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

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

To be viewed in conjunction with Note 18

Notes to the Accounts

1. Accounting policies

Accounting convention

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

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

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

Currency

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

Title

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

Going concern

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

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

Fund accounting

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

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

Restricted Funds - Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. A fair proportion of overheads are allocated to the specific funds where appropriate.

Investment income and gains are allocated to the appropriate fund.

Income

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

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

Expenditure

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

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

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

Interest receivable

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

Tangible fixed assets and depreciation

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

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

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

Stock

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

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Financial instruments

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

Operating lease agreements

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

Contribution to pension funds

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

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

Taxation

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

Estimates and judgements

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

Judgements

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

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

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

Estimates

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

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

2. Company structure

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

3. Contingent liabilities

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

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

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

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

(b) Donations and legacies (prior year)

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

5. Grants received

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

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

6. Other Operating Income

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

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

Trading operations and related companies

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

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

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

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

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

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

(b) Activities for generating funds (prior year)

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

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

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

(b) Income from charitable activities (prior year)

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

9. (a) Resources expended (current year)

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

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

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

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

(b) Resources expended (prior year)

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

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

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

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

10. Analysis of staff costs

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

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

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

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

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

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

11. Staff numbers

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

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

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

12. Pension costs

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

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

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

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

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

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

13. Movement in total funds for the group

Movement in total funds is arrived at after charging:

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

14. Trustees' remuneration and expenses

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

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

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

15. Tangible fixed assets

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

All of the above assets are used for charitable purposes.

16. Stock

	Group 2021 £'000	Charity 2021 £'000	Group 2020 £'000	Charity 2020 £'000
Goods for resale	**21**	**-**	16	-

17. Debtors

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

18. Creditors: amounts falling due within one year

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

Creditors: amounts falling due after more than one year

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

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

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

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

Movement on deferred income during the year:

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

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

19. Analysis of net assets (current year)

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

20. Analysis of net assets (prior year)

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

21. Financial commitments

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

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

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

22. Related parties transactions

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

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

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

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

23. Consolidated statement of funds (current year)

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

Designated funds

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

Restricted funds

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

24. Consolidated statement of funds (prior year)

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

25. Analysis of material transfers between funds

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