

Company number: 07846810

Charity Number: 1146310

KEMP House Trust Ltd

Report and financial statements

For the year ended 31 March 2021

Contents

For the year ended 31 March 2021

Reference and administrative information	1
Trustees' annual report	3
Independent auditor's report	19
Statement of financial activities (incorporating an income and expenditure account)	24
Balance sheet	25
Statement of cash flows	26
Notes to the financial statements	27

Reference and administrative information

For the year ended 31 March 2021

Company number 07846810
Country of incorporation United Kingdom

Charity number 1146310
Country of registration England & Wales

Registered office and operational address 41 Mason Road
KIDDERMINSTER
DY11 6AG

Operational name KEMP Hospice

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Mrs Alison Field	Chair (Resigned 30 June 2021)
Mr Geoff Taylor-Smith	Chair (Appointed 1 July 2021)
	Director (Appointed 1 December 2020)
Mrs Kate E Collyer	
Mrs Janet Rowe	
Mr Malcolm Plant	(Resigned 1 June 2020)
Mr Shayne Taylor	
Mrs Julia Neal	(Resigned 30 June 2021)
Ms Polly Symondson	
Ms Katherine Ellis	(Appointed 7 Sept 2021)

Key management personnel	Heidi Hawkins	Chief Executive
	Caroline Beech	Head of Finance & Infrastructure
	Laurey Grennall	Head of Hospice Services (Appointed 14 Sept 2020)
	Charlie Homer	Head of Fundraising & Communications
	Lynne Haines	Head of Retail (Retired 31 August 2020)
	Gary Barnes	Head of Retail (Appointed 24 August 2020)
	Ruth Power	Head of People

Bankers

Santander
Bridle Road
Bootle
L30 4GB

HSBC Bank plc
6 Broad Street
Worcester
WR1 2EJ

KEMP House Trust Ltd

Reference and administrative information

For the year ended 31 March 2021

Solicitors

Painters
29 Church Street
Kidderminster
CY10 2AU

Auditor

Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
Invicta House
108-114 Golden Lane
LONDON
EC1Y 0TL

The trustees present their report and the audited financial statements for the year ended 31 March 2021.

Reference and administrative information set out on pages 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

Our objectives: To provide clinical, emotional, and spiritual care with practical support for people, their families, carers and the wider community who may be affected by serious and life-limiting illness within Worcestershire and the surrounding areas, are contained in full within our Articles of Association and also reflected in our vision, mission and values as follows:

Our Vision is quality and choice in end-of-life care and bereavement support, easily accessed by everyone in the Wyre Forest who needs it.

Our Mission:

- To ensure the people we support are at the heart of all we do.
- To care for individuals living with life limiting conditions and provide practical support to the people who matter to them.
- To support children and adults who have experienced bereavement, helping them to find their new normal.
- To fundraise so that we can continue to provide our services free of charge.
- Together our staff and volunteers carry out our work in partnership with providers, businesses, groups, and individuals in our local community.

Our Values:

Positive; Respectful; Professional, Compassionate; Inclusive and Trustworthy

Our Activities

Care and Support

KEMP Hospice provides free specialist care for people affected by life limiting illness and gives support to those who have been bereaved in the Wyre Forest (Worcestershire) and surrounding areas. Our expert and compassionate care and support is provided not only for the patient but also for their carers and wider family, including children and young people.

Trustees' annual report

For the year ended 31 March 2021

Provided by a team of dedicated staff and over 200 volunteers all our support is free to access and with our hospice users facing a wide range of life limiting illnesses and conditions, we place great importance on taking a holistic view of patient care so as to deliver everything in response to the specific needs of an individual and their family. Our services include:

- *The Wyre Forest's only specialist, nurse-supported Day Hospice* – combining clinical care with a range of therapies to support patients' physical and emotional wellbeing;
- *Support services provided in the home* – including occupational therapy, physiotherapy and respite services for carers of patients with life limiting conditions, who are nearing the end of their lives;
- *KEMP for Kids* – a special service which supports children and young people aged 5–18 years in circumstances where someone close to them has a life-limiting condition or has died through counselling and group activity days;
- *Bereavement support for adults* – our trained counsellors support individuals dealing with the illness or loss of a loved one, giving them a safe place to share their feelings, manage their grief and help build a future life;
- *Befriending* – our volunteers telephone adult family members to reduce their sense of isolation and give them emotional support;
- *Welfare & Financial Advice* – Living with a life limiting illness brings many practical and financial concerns with it, and we offer advice, information and representation with regard to a range of issues, including: benefits, housing, employment, debt and relationship problems;
- *Spiritual Care* – KEMP Hospice welcomes people of all faiths and of none. Our team of staff and volunteers offer care and support by spending time with patients: by listening to them, through music, spiritual creativity, reflection, or prayer.

We are proud to work closely with the Community Specialist Palliative Care Team and the Wyre Forest Palliative Care Consultant, to ensure the care being provided to patients is as streamlined and comprehensive as possible. Additionally, we facilitate a heart failure clinic once every two months and Worcestershire Health and Care Trust operate a Lymphedema outpatient clinic every Thursday from one of our treatment rooms.

Generation of Income

- KEMP Hospice has a varied portfolio of fundraising initiatives. This ensures that supporters have a wide range of ways in which to engage with the charity and minimises the risk of becoming dependent on any one fundraising activity.
- KEMP Hospice is registered with the Fundraising Regulator. We adhere to and maintain the standards set out by the regulator, ensuring our fundraising is legal, open, honest, and respectful to the public. Furthermore, we are committed to adhering to the Institute of Fundraising Code of Fundraising Practice and the specific guidance on treating donors fairly (through Respect, Fairness, Accountable, Responsive) in all our fundraising activities, ensuring that we protect vulnerable people.

Trustees' annual report

For the year ended 31 March 2021

- We are fortunate to have strong community support and benefit from a number of third-party events. Our dedicated Community Fundraiser and wider fundraising team supports all events we are aware of, and ensures regulations are being adhered to.
- We are part of Your Hospice Lottery, which is owned and administered by St Helena Hospice and specifically operates to raise funds for hospice care. Canvassers are employed by Your Hospice Lottery but engage with KEMP as part of their induction. These fundraisers engage with the public at external venues, events, and by carrying out door to door activity. They are not permitted to carry out these activities without identification, are highly trained, and never collect or accept money. Neither do they pursue individuals who have made it clear they do not wish to engage.
- We have a Donations Centre in Kidderminster and operate 6 retail charity shops across Kidderminster, Stourport and Bewdley as well as our own online eBay shop.

Governance

KEMP Hospice trustees review the aims, objectives, and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

The trustees agree the strategic direction of the charity through the preparation and monitoring of a 5-year strategy. To support delivery of the strategy, an operational business plan and budget is developed annually, approved, and reviewed by the trustees. Our full strategy can be viewed by visiting our website: <https://www.kemphospice.org.uk/strategy2024>

We have clear objectives set out for each of our strategic plans, which are based on consolidation and sustainability, rather than expansion, and our aims reflect our desire to tangibly improve every area of our business, to be the very best that we can be, for all those who need us, and to keep our patients and clients at the heart of everything we do. We base all our activities, measure performance and plan business objectives around our 5 aims:

- We provide exceptional care and support
- We are the Wyre Forest Hospice
- We are a great place to work and volunteer
- We fundraise, now and for the future
- We operate responsibly

Progress towards achieving objectives is monitored and reviewed through the respective sub-committee which are focussed on Services, Finance, Resources and Risk and Income Generation, and

at full Board meetings of the trustees. Monthly management accounts and quarterly reports by the Chief Executive and departmental managers are provided.

Day-to-day responsibility for the management of the charity is delegated to a senior management team of six, comprising: Chief Executive Officer, Heidi Hawkins; Head of Finance & Infrastructure, Caroline Beech; Head of Fundraising & Communications, Charlie Homer; Head of Hospice Services, Laurey Grennall; Head of People, Ruth Power and Head of Retail, Gary Barnes. The senior management team meet fortnightly to discuss both strategic and operational matters.

The trustees consider that they have complied with their duty in Section 17(5) of the Charities Act 2011 and have referred to the guidance provided by the Charity Commission on public benefit when reviewing the charity's aims and objectives.

Achievements and performance 2020/21

2020/21 saw the second year of our five year strategy and, of course, Coronavirus. Regrettably we had to close the doors to our hospice on 16 March 2020 and cease face to face counselling support.

Our shops closed from 23 March 2020 until 9 June 2020, when we took a calculated and cautious approach, reopening in stages, testing, and evaluating our safety measures, welcoming back staff and volunteers in a staggered and deliberate way. We also introduced an online booking system to help us safely manage donations, a system we have retained. Similarly, all our community and events fundraising ceased for that period and face to face fundraising has only really tentatively started again following the end of the third lockdown in Winter 2021.

From February 2020, when we were aware that a pandemic was likely, we had been preparing to support those within our workforce who could work from home with enhancements to our digital and IT infrastructure, so our team was well placed to effortlessly move to home working; something which meant that our Family Support & Bereavement Team were able to continue their work almost seamlessly, albeit remotely.

We accessed the government's Coronavirus Job Retention Scheme and furloughed all staff who were unable to work from home, such as our retail staff, as well as those who had seen a reduction in their work due to reduced activity such as housekeeping, some of our fundraising team and others across support services.

However, throughout the pandemic we adapted our services and remained responsive to the needs and feedback of our patients and their carers and families.

Our key developments have included:

- Our Family Support & Bereavement Team ensuring no break in service by providing counselling and support over the telephone and/or via online video calls;

- Offering essential support directly in patients' homes to prevent hospital admissions, including respite for carers and rehab support to prevent loss of function: In the period September – March 2021 we conducted over 180 hours of patient support and respite care;
- Launching a virtual Day Hospice in November 2020, which offers a breadth of therapeutic and social activities via weekly group Zoom sessions and has proven an essential lifeline to combat isolation and provide support during the second lockdown and beyond;
- Provided nearly 900 lunches to individuals who have pre-existing health conditions and are therefore classed as at high risk of getting seriously ill with Coronavirus;
- Following our decision to pause all live recruitment in March 2020, we finally successfully appointed Laurey Grennall to the new position of Head of Hospice Services and she joined KEMP in September 2020;
- Other positive appointments in the year included a Complementary Therapist, Physiotherapist and a new Staff Nurse, as well as the appointment of Gareth Vaughan as Family Support & Bereavement Services Manager.

We anticipated a reduction in referrals into our service, with the lockdowns and society's wish not to burden healthcare services. We were also conscious that our community might think because our buildings were closed that we had paused services too. However, we communicated updates on the services we continued to provide through local press and social media.

Following a quiet Summer, we started to receive referrals to our Care Services again steadily in the Autumn and at the end of March had 77 new referrals (106 2020/21). Our Finance and Welfare Officer received requests for support from 233 individuals (275 2020/21). Supporting Care Homes to update individual's wishes and choices for their care in the form of Advance Care Planning. Over 400 individuals were directed to the service in comparison to 182 in the previous year.

We received 245 referrals for support for bereaved adults and 91 for children and young people. We anticipated that Coronavirus would place greater pressure on our Bereavement Services team, and we were able to recruit two additional 'bank' counsellors. However, although we are supporting a number of people who have lost a loved one as a result of Coronavirus, we are relieved to report that the surge in demand we feared may arise last summer did not come to pass. 1256 counselling sessions have been delivered across the year, either by phone or Zoom.

We were incredibly honoured to have been presented with awards from both the High Sheriff of Worcestershire and Bewdley Rotary Club. It meant a lot to have our team and work recognised. One of our nurses also received a special recognition award for her individual contribution over a long and distinguished career with KEMP, specifically acknowledging how she delayed her retirement when the pandemic struck to add support where it was needed.



Some feedback from those who have used our services this year

"Counselling has made a tremendous difference – my confusion & distress affected my family badly and by gradually unpeeling the layers, airing my anxieties helped me process and unburden. I'm feeling the joy in my life again and of course my family benefit from that too!"

"One of KEMP's nurses now comes to see my husband regularly and calls to check in on how we are doing. He also has regular support with his mobility thanks to Physiotherapy sessions."

"I have missed coming to KEMP and seeing everyone. I was always asked how I am and made to feel so special – that's just how KEMP make you feel. It has been so nice to see all of the people I used to see on Tuesdays and the staff, to hear how other people are coping, their experiences of lockdown and how it has affected them. Although it isn't the same as seeing people, it really is a marvellous way of keeping in touch and to say hello."

"My Counsellor provided a very safe pair of hands to hold me whilst I explored my grief. She was a tremendous support to me and helped me put many demons to rest. She provided so much care and compassion, I truly miss our sessions. She is an exceptional counsellor."

"The sessions gave me the opportunity to speak about issues that I had not been able to process and in some ways were holding me back from moving on. KEMP's support has helped me to live in my 'new normal'."

oOo

Irene Preston is the wife and full-time carer of KEMP patient David Preston – just one of many individuals who our team has been able to support with in-home care services during the pandemic. Irene explains:

"After David was diagnosed with progressive supranuclear palsy, a severe movement disorder, we felt very alone and isolated. However, six months ago we were referred to KEMP and everything changed. The nurses called and arranged an appointment to come around to our home to meet David. They followed up immediately with how they could support us. We were so relieved.

One of KEMP's nurses, Alison, now comes to see David regularly and calls us to check in on how we are doing, and Sarah, their physio, supports him with his mobility, which has been a great help. Caitlyn, their Advance Care Planning Facilitator, came and completed David's ReSPECT form¹ with him. She was so kind and really took her time going through everything with him which was so helpful as he can get muddled and struggles with his speech.

We have been enjoying KEMP's Virtual day Hospice programme and attend the weekly Zoom sessions. They really brighten and break up our days. We look forward to them. We

really like the bingo – not the quizzes so much as we aren't any good! - as well as the relaxation exercises which we do together. I also enjoy watching the creative therapy sessions. David sleeps a lot nowadays, but he always stays awake for KEMP's Zoom calls. What has meant the most to us about the care and support we have received from KEMP, is the understanding and the kindness shown by all the staff. They are fantastic and we no longer feel on our own."

oOo

Child X is a girl aged 9 years, she and her sister are being supported by KEMP. She started her counselling at KEMP 12 months ago when her father died suddenly. Losing her father so traumatically has been very difficult for X, 1:1 sessions had been via Zoom while schools were closed or not receiving visitors, this has also been difficult for X, increasing the isolation from her friends, school peers and 'normal' life.

We wanted X to come on the Memory Day to enable her to be with other children who had lost a loved one and have the opportunity to remember but also have some fun with the outdoor activities with children her own age that are dealing with similar emotions. Prior to the Memory Day it has been difficult to use creative tools to support X with her grief, the day enabled her to explore her grief and emotions creatively.

On arrival at the Memory Day X was very apprehensive about being in a group and leaving her mother. Once her mother had left, X joined the group and settled in well. Initially she sought out the company of the adult volunteers but relished the outdoor activities and soon built friendships with others in the group, including the other children. X gradually began to interact and seek out the company of peers rather than the adults.

X felt able to share her emotions individually and in a group setting – she became more confident and resilient throughout the day. Her anxiety levels dropped as she interacted with others and enjoyed being in a child's world.

At the end of the day X was able to share how she was feeling, explore and highlight important memories of her father and come away with a set of defined coping skills for when things may feel too much.

Income

There are some notable achievements for our income within this financial year, despite the incredibly challenging backdrop:

- In the latter half of the financial year, we once again returned to objectives within our annual business plan and made two key appointments to the team, namely a full time Communications and Marketing Officer and a part time Database Officer.
- Following the resignation of Lynne Haines after 10 years in post, we successfully appointed Gary Barnes as our Interim Head of Retail In August 2020 and the post was confirmed as permanent on 26th April 2021.
- We have Your Hospice Lottery team to thank for their excellent planning and increase in telephone canvassing through the year, something which has resulted in our Lottery income almost doubling for the second year running, increasing from £23,835 in 2019/20 to £35,343.
- Once again, we have seen marked growth this year from Charitable Trusts, realising income of £122,538, a 73% increase from the year before. This is our second full year working with our external bid writer and we have seen the benefits of this relationship.

We would like to thank the following Trusts and Foundations for their support:

- Coutts & Co
- Baron Davenports Charity
- BBC Children in Need
- The Blakemore Foundation
- The Charity of Stella Symons
- The DMF Ellis Charitable Trust
- The February Foundation
- GJW Turner Trust
- The Grimmitt Trust
- The Heathcock Charitable Trust
- Hospice Aid UK
- The Jarman Charitable Trust
- Kidderminster Town Council
- The Kildare Trust
- The L&R Gilley Charitable Trust
- Lasletts Hinton Charity
- The Michael & Anna Wix Charitable Trust
- Masonic Charitable Foundation
- Matthew Good Foundation
- Shakespeare Martineau
- The Sir Jules Thorn Charitable Trust
- The Kate Wilson Oliver Trust
- The Roger & Douglas Turner Charitable Trust
- The Uncle Bill Trust
- The W E D Charitable Trust
- Albert Hunt Trust

Trustees' annual report

For the year ended 31 March 2021

- Brian Shaw Trust
- W A Cadbury Charitable Trust
- Western Power
- Worcestershire Community Foundation
- Birmingham District Nursing Charitable Trust
- Special grateful thanks go to the Trustees of KEMP House Trust, who supported us in this financial year with funding of £357,019 towards us adapting and continuing to provide our vital services through Covid.
- We received an unexpected legacy of £50,000 and due in no small part to our limited team working incredibly hard to maximise opportunities to raise income, we saw our Corporate income increase by a third to £43,108 this year.
- Please see our 'Financial Review' section on page 12.

Risk and Compliance

As a company and charity providing regulated and commissioned services, we follow codes of ethics and practice in our services and fundraising activities; we take our regulatory responsibilities seriously and work to protect our reputation and credibility as a professional organisation.

- We are thankful that we had no reportable incidents throughout the financial year. This applies to the Fundraising Regulator, CQC, ICO and Charity Commission.
- We had no CQC visit in this financial year, although our CEO, Head of Hospice Services and Care Services Manager attended a virtual monitoring call in January, presenting evidence and information relating to our response to the pandemic and additions and changes to our policies, procedures and processes, particularly around infection control. We continue to review all clinical policies and procedures, as well as ensuring a focus on the CQC Key Lines of Enquiry, in anticipation of a visit in the forthcoming year.
- All mandatory training has been carried out in line with our plans for the year and we have reviewed and updated our mandatory training matrix as part of the People policies review.
- We continue to enjoy open and supportive relationships and provide extensive reports to our Clinical Commissioning Group Quality and Contract officers.

Please see 'Plans for the Future' on page 14 for how we will take the opportunities that Coronavirus has presented us with to reshape our services.

Sincere Thanks

The flexible approach and dedication to ensuring the people who need our services continued to be cared for and supported throughout this year would not have been possible without the dedication of our hardworking staff along with the very many willing volunteers who give freely of their time and talents and we would like to take this opportunity to thank them all for their efforts.

Unsurprisingly with the disruption and very real threat caused by Covid, we saw a reduction in the numbers of volunteers who support our work. However, at the end of the financial year we are fortunate to still have an incredible 205 individuals volunteering their time across our charity within

Retail; Fundraising; Finance; Care and Bereavement Services; and on our Board of Trustees. In total a no less incredible 11,702 hours of time, commitment, hard work and skills were shared to help us in delivering our work.

Financial review

Under such extraordinary circumstances our total income for the year of £2,154,186 (2020: £1,888,775) with a net surplus of £656,500 (2020: £186,497) was much better than we might have expected. All our income is used to support in the delivery of services to our patients and clients.

Income

We are grateful for the various government initiated financial support streams which helped us to retain our staff by accessing the furlough option, as well as the Retail, Hospitality and Leisure Grant which contributed to our Trading income and significantly offset potential losses from lockdown closures, resulting in a much better than anticipated income from our Trading activities of £681,397 (2020: £712,676).

So too we are thankful to Hospice UK for working with the government to secure funding which hospices were able to access in exchange for supporting the NHS in the Covid response. KEMP Hospice received a total of £274,386, enabling us to keep all of our service team members working and providing vital care and support throughout.

Additional to the funding which we receive from Herefordshire and Worcestershire Clinical Commissioning Group (CCG) in the form of a grant agreement, we were awarded additional funding to support anticipated increase in Covid related bereavement support which brought our CCG income to £361,094 this year.

Expenditure

Our total expenditure in 2020/21 was £1,497,686 (2020: £1,702,278) and contribution split can be seen below. The former half of the year saw a very strict review and pause on all non essential spending and the remainder of the year saw careful financial management, without detrimentally affecting any of our operations.

Our fundraising and retail expenditure directly supports our income generation for the charity and unsurprisingly this was reduced in this financial year at £645,425 (2020: £787,154).

Total funds held at the end of the financial year were £2,260,049 (2020: £1,603,549), of which £604,614 (2020: £629,819) is restricted to support the fixed assets which are essential for our charitable activities.

Risk Management

We have a risk policy and register to enable the identification, monitoring and management of controls to mitigate risks. The Senior Team and Board of Trustees consider risks on a quarterly basis.

The key strategic risks are:

- ✚ **We are unable to fulfil our 5 year plans for income generation growth.** We have skilled and experienced staff and trustees in key roles. As well as quarterly income and financial scrutiny, our income and expenditure is reviewed on a monthly basis. Our governance and operating structure is such that any responsive changes deemed necessary to support our income strategy could be agreed quickly.
- ✚ **Changing social attitudes may reduce the pool of people who will enable us to fulfil our planned recruitment of volunteers.** We mitigate this risk by nurturing relationships with organisations and individuals who can support us in facilitating recruitment of potential volunteers, as well as exploring ways to taking a collaborative approach to volunteer attraction and recruitment with other hospices and charities.
- ✚ **Competing with Agenda for Change pay and reward packages could affect our recruitment of health and social care colleagues.** As well as an emphasis on communicating our culture and carrying out regular benchmarking activities, we are committed to building on strong recruitment and employment foundations to ensure people who work with us are engaged and valued.
- ✚ **Uncertainties in commissioning structure and priorities could threaten our model of care.** We maintain effective, open relationships with our commissioners and ensure all reporting requirements are met.
- ✚ **Catastrophic reputational impact of significant detrimental regulatory occurrence.** Risks to every area of our operations are reviewed, monitored and escalated as a minimum quarterly by the Senior Team, through each respective sub committee and onto full Board. We have a communications plan in place and key personnel would be alerted to any potential reputational threats.

Our strategy, experienced team and spread of income streams means we are not reliant on one particular source of income. Our governance and operating model is such that any responsive changes to income strategy could be agreed within a short time period.

Reserves policy and going concern

The trustees have examined the charity's requirements for reserves in light of the main risks to the organisation. A policy is established whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be 6 months of the anticipated expenditure. At the end of the financial year unrestricted free reserves were £1,210,247 (2020: £844,201), which is 20 months of the anticipated expenditure and representative of the desired reserves position.

Plans for the future

From June 2021 we have re-opened our hospice building and crucially have increased the number of days a week, KEMP Hospice is open to patients from four to five days so we can reach more people, more often. Specifically our aims with this development are to:

- Increase the availability of face-to-face support for patients at our hospice building, whilst remaining cognisant of, and compliant with the government's rules on social distancing;
- Increase the flexibility of our services so patients are able to choose if and when they want to come into the hospice, receive care at home and/or engage with remote support services;
- Maximise engagement with and impact of all virtual support services;
- Place patients' needs and their bespoke plan of care at the centre of everything we offer; and
- Minimise the potential disruption of any future lockdowns and/or social distancing restrictions by operating an adaptable and efficient service.

Our dedicated team of staff and volunteers will offer the following services across two phases, provisionally scheduled to co-ordinate with the Government's plan for the lifting of national lockdown restrictions:

Phase One (started June 2021)

- 1:1 clinic appointments are re-introduced at our hospice facility, and when essential, available through home visits as well.
- In patients' homes our Care Services Team will also provide occupational therapy and physiotherapy; therapeutic support to prevent deconditioning when patients are no longer able to attend the hospice site; and initial assessment/introduction to KEMP sessions for new patients.
- Our successful Virtual Day Hospice programme will continue running twice a week, focussing on wellbeing and creative activities such as relaxation sessions, creative therapy and complementary therapy.
- 1:1 support to patients on the telephone and/or via video calls will continue.
- Our team of trained counsellors will continue to support individuals dealing with the illness or loss of a loved one through telephone and/or video call support. They will also be able to see clients 1:1 on-site in exceptional circumstances.
- The Children's counselling team will continue to visit children at their schools, and we are planning to provide our adult counsellors training to enable them to support children and young people into the future. This will address the increased demand we have seen in this area, and reduce the current waiting time of 12-15 weeks for new referrals.
- Respite support for carers of our patients will be reviewed and a more bespoke model, possibly using volunteers, will be developed.
- Café facilities at our hospice site will be limited to light refreshments and snacks to allow for planned refurbishment of the space.

Phase Two (to be phased in August 2021 – March 2022)

- Patients, carers and bereavement groups will all be able to meet on-site (numbers dependent on social distancing rules in place). In addition to 1:1 clinic/support on-site, we anticipate running structured one-stop clinics enabling small groups of vulnerable patients to see multiple professionals.
- We will be examining our indoor and outdoor spaces, to ensure we are using every available area to operate safely and in order to facilitate increased numbers of patients and clients in the hospice building. This will include the launch of a long term and significant project in remodelling our hospice garden.
- KEMP for Kids, our programme supporting children and young people through bereavement or the illness of a loved one will continue in schools, and in 2022, through the re-introduction of non-residential camps for groups of primary and secondary age children.
- For those unable to come into our hospice, Virtual Day Hospice activities will provide an ongoing lifeline with a rolling, holistic 'Living Well' programme including advice on diet, relaxation techniques, symptom control management and practical advice on things such as personal finances, benefits etc.
- Full Café-style catering will gradually return with a new menu available for all visitors.

We will be mindful that reintroducing patients, clients, volunteers and staff back to our shops and the hospice building will not necessarily be straightforward and we will have a focus on wellbeing and supporting everyone to feel safe and secure at KEMP.

Income Generation

Not unexpectedly this year will be about recovery and maximising every opportunity for income generation across our Fundraising & Communications department and through our Trading activities.

Governance

The Board of Trustees have embraced the Charity Governance Code, carrying out a self-assessment and have identified two key areas of focus: how the charity can demonstrate not only our financial/economic sustainability, but also our ecological and environmental impact in all our operations and; how the organisation as a whole can embed Equality, Diversity and Inclusion within our culture and across all operations, including within the Board itself.

Structure, governance and management

KEMP House Trust Ltd. (KEMP Hospice) is a charitable company limited by guarantee, incorporated on 14 November 2011 and registered as a charity on 9 March 2012.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the accounts.

Appointment of trustees

KEMP Hospice recruits trustees based on a number of factors including, but not limited to, the need for a particular skill, a mix of backgrounds, experiences and considering a range of dynamics. The charity utilises social media to promote trustee vacancies, as well as charity and individual networks. A comprehensive recruitment process includes formal interview, time spent with a range of the charity personnel, and attendance at two Board meetings. The existing trustees then vote to appoint.

Within this financial year the Board appointed Geoff Taylor Smith to a Chair Designate position, in readiness for taking on the Chair role following Alison Field's resignation on 30th June 2021.

Some governance work was carried out throughout Summer 2020, including a more formalised succession planning process, and a review of the sub-committee structure to better meet the needs of our strategic aims. The following committees were agreed upon and commenced in September 2020: Patient Services (unchanged); MAGIC (Marketing and Generation of Income Committee); Finance & Resources and introducing a new committee overseeing Risk & Compliance. Additionally our Trustees agreed to a formal term of office of four years with an option to serve a further term, following a voting process.

Related parties and relationships with other organisations

KEMP House Trust is a separate registered charity, governed by a Trust Deed, which manages an investment portfolio and whose principal objective is to support the activities of KEMP Hospice, on provision of a costed business case which demonstrates the benefits to the beneficiaries of the hospice services.

During the year ending March 2021 there were four trustees, who meet quarterly and manage and oversee the investment portfolio with the professional advice of Investec Wealth and Investment Ltd. who visit the hospice twice a year and provide regular written reports to the board.

KEMP House Trust and KEMP House Trust Ltd. (KEMP Hospice) each have an appointed conduit member who attends the meetings of the other Board, but without voting rights, to ensure a greater understanding of what is taking place in each area.

KEMP House Trust (Hospice Shop Ltd): The Trading Company is a wholly owned subsidiary of the Hospice. There were three directors serving during the year who have accountability for retail activities. The Hospice Chief Executive has ultimate responsibility for the management of the Hospice and Trading Company. All three of the current directors are hospice Trustees. The Head of Retail and Head of Finance attend the Board meetings, which are held quarterly.

We are in the finishing stages of dissolving the Trading Company, pending finalising lease terms with landlords. All trading activities will then sit within the Hospice. We expect that this work will be completed by the end of the financial year ending 31st March 2022.

Statement of responsibilities of the trustees

The trustees (who are also directors of KEMP House Trust Ltd for the purposes of company law) are responsible for preparing the trustees' annual 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 group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- ✚ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- ✚ There is no relevant audit information of which the charitable company's auditor is unaware
- ✚ The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2021 was 6 (2020: 7). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on 1 December 2021 and signed on their behalf by

Geoff Taylor-Smith
Chair

Independent auditor's report

To the members of

KEMP House Trust Limited

Opinion

We have audited the financial statements of KEMP House Trust Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the 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 FRS 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 2021 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

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 group financial statements section of our report. We are independent of the group and parent charitable company 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 KEMP House Trust Limited'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.

Independent auditor's report

To the members of

KEMP House Trust Limited

Other Information

The other information comprises the information included in the trustees' annual report other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the group financial statements themselves. 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 for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has 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 their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the 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 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

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

Our 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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, and the finance and income committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;

Independent auditor's report

To the members of

KEMP House Trust Limited

- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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 is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report

To the members of

KEMP House Trust Limited

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 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.

Fleur Holden (Senior statutory auditor)

14 December 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108–114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2021

	Note	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Income from:							
Donations and legacies	2	718,381	30,588	748,969	823,349	41,346	864,695
Charitable activities							
Hospice services	3	368,817	274,386	643,203	277,756	–	277,756
Education income	3	–	–	–	3,608	–	3,608
Other trading activities							
Charity shop income		328,961	–	328,961	712,676	–	712,676
Management charges		2,052	–	2,052	3,000	–	3,000
Lottery income		35,343	–	35,343	23,835	–	23,835
Sale of merchandise		–	–	–	311	–	311
Other income							
Coronavirus Job Retention Scheme		140,527	–	140,527	–	–	–
Retail, Hospitality & Leisure Grants		197,441	–	197,441	–	–	–
Retail Business Interruption Insurance		56,364	–	56,364	–	–	–
Investments		1,327	–	1,327	2,894	–	2,894
Total income		1,849,212	304,974	2,154,186	1,847,429	41,346	1,888,775
Expenditure on:							
Raising funds	5						
Fundraising costs		263,158	–	263,158	338,871	–	338,871
Charity shop costs		514,032	–	514,032	599,834	–	599,834
Charitable activities							
Hospice services	5	381,193	330,179	711,372	711,148	52,315	763,463
Tax payable by subsidiaries	12	9,124	–	9,124	109	–	109
Total expenditure		1,167,507	330,179	1,497,686	1,649,963	52,315	1,702,278
Net income / (expenditure) for the year	6	681,705	(25,206)	656,500	197,466	(10,969)	186,497
Transfers between funds		–	–	–	–	–	–
Net movement in funds		681,705	(25,206)	656,500	197,466	(10,969)	186,497
Reconciliation of funds:							
Total funds brought forward		973,730	629,819	1,603,549	776,264	640,788	1,417,052
Total funds carried forward		1,655,435	604,614	2,260,049	973,730	629,819	1,603,549

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 18a to the financial statements.

Balance sheets

Company no. 07846810

As at 31 March 2021

	Note	The group 2021 £	2020 £	The charity 2021 £	2020 £
Fixed assets:					
Tangible assets	11	713,914	750,826	699,156	729,237
Investments	12	–	–	5,002	5,002
		<u>713,914</u>	<u>750,826</u>	<u>704,158</u>	<u>734,239</u>
Current assets:					
Stock	14	2,579	5,212	–	178
Debtors	15	384,080	374,161	685,165	620,841
Cash at bank and in hand		1,241,625	572,254	996,308	356,884
		<u>1,628,284</u>	<u>951,627</u>	<u>1,681,473</u>	<u>977,903</u>
Liabilities:					
Creditors: amounts falling due within one year	16	(82,149)	(98,904)	(34,364)	(43,379)
		<u>1,546,135</u>	<u>852,724</u>	<u>1,647,109</u>	<u>934,524</u>
Net current assets					
		<u>2,260,049</u>	<u>1,603,549</u>	<u>2,351,268</u>	<u>1,668,763</u>
Total assets less current liabilities					
		<u>2,260,049</u>	<u>1,603,549</u>	<u>2,351,268</u>	<u>1,668,763</u>
Total net assets					
		<u>2,260,049</u>	<u>1,603,549</u>	<u>2,351,268</u>	<u>1,668,763</u>
Funds:	18a				
Restricted income funds		604,614	629,819	604,614	629,819
Unrestricted income funds:				–	–
Designated funds		337,800	–	337,800	–
General funds		1,317,635	973,730	1,408,854	1,038,944
		<u>2,260,049</u>	<u>1,603,549</u>	<u>2,351,268</u>	<u>1,668,763</u>
Total funds					
		<u>2,260,049</u>	<u>1,603,549</u>	<u>2,351,268</u>	<u>1,668,763</u>

Approved by the trustees on 1st December 2021 and signed on their behalf by

Geoff Taylor-Smith
Chair

Janet Rowe
Trustee

KEMP House Trust Ltd

Consolidated statement of cash flows

For the year ended 31 March 2021

	Note	2021 £	£	2020 £	£
Cash flows from operating activities					
Net income for the reporting period		656,500		186,497	
(as per the statement of financial activities)					
Depreciation charges		63,127		45,984	
Loss on disposal of fixed assets		1,558		–	
Interest from investments		(1,327)		(2,894)	
(Increase)/decrease in stocks		2,634		(1,678)	
(Increase)/decrease in debtors		(9,919)		(211,139)	
Increase/(decrease) in creditors		(16,755)		15,143	
Net cash provided by operating activities		695,817		31,913	
Cash flows from investing activities:					
Interest received		1,327		2,894	
Purchase of fixed assets		(27,773)		(117,286)	
Net cash provided used in investing activities		(26,446)		(114,392)	
Change in cash and cash equivalents in the year		669,371		(82,479)	
Cash and cash equivalents at the beginning of the year		572,254		654,732	
Cash and cash equivalents at the end of the year		1,241,625		572,254	
Analysis of cash and cash equivalents					
		At 1 April 2020 £	Cash flows £	At 31 March 2021 £	
Cash at bank and in hand		572,254	669,371	1,241,625	
Total cash and cash equivalents		572,254	669,371	1,241,625	

1 Accounting policies

a) Statutory information

KEMP House Trust Limited is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address is 41 Mason Road, Kidderminster, Worcestershire, DY11 6AG.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (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 results of the charity and its wholly-owned subsidiary KEMP House Trust (Hospice Shop) Limited on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented as a summary of the result for the year is disclosed in the notes to the accounts.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

The accounts are prepared as full values however are presented to the nearest £1. This may cause small discrepancies in the financial statements.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. Further information in relation to the trustees' appraisal of going concern is included in the trustees' annual report. There are no key judgements that the charity has made which have a significant effect on the accounts.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Whilst the trading subsidiary, KEMP House Trust (Hospice Shops) Limited is due to be liquidated within the financial year ending 31 March 2021, and its accounts have been prepared on a basis other than going concern, there is no impact on the going concern conclusion for the parent charity or group, as the activities, assets and liabilities of the trading subsidiary will be transferred to the parent charity prior to liquidation.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that 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.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

1 Accounting policies (continued)

f) Donations of gifts, services and facilities

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.

g) Retail, Hospitality and Leisure Grants

The trading subsidiary has received a Retail, Hospitality and Leisure Grant from the local authority for each shop. The grants were received and have been recognised in the financial year ending 31 March 2021 based on an entitlement date of 1 April 2020 as per the guidance issued by the Department for Business, Energy and Industrial Strategy.

h) 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.

i) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

j) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in seeking donations, grants and legacies and costs of trading activities including the costs of goods sold, shop costs and their associated support costs
- Expenditure on charitable activities includes the costs of providing specialist palliative care and support and the costs of community services undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

k) Allocation of support costs

Where possible, costs have been allocated directly to the activity to which they relate. However, there are also shared support costs that enable the hospice's charitable, income generating and governance activities to be undertaken. Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity

- | | |
|-------------------------|-----|
| ● Cost of raising funds | 34% |
| ● Hospice services | 66% |

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

1 Accounting policies (continued)

l) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

m) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

● Leasehold land & buildings	4% straight line and 99 years
● Leasehold property improvements	5 years
● Motor vehicles	4 years
● Office equipment	3 years
● Furniture & equipment	3 years and 25% reducing balance

n) Investments in subsidiaries

Investments in subsidiaries are at cost.

o) Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks. Donated items of stock, held for distribution or resale, are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

p) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

q) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

r) 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.

s) Financial instruments

The charity only has financial assets and financial liabilities of a kind 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.

t) Pensions

Pension contributions to the group personal pension plan are charged against income when payable.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
General donations	29,795	–	29,795	48,991	–	48,991
Gift aid	26,593	–	26,593	56,227	–	56,227
In memoriam	19,474	–	19,474	25,313	–	25,313
Grants from KEMP House Trust	357,019	–	357,019	367,127	–	367,127
Other charitable trusts	91,950	30,588	122,538	29,618	40,949	70,567
Legacies	55,500	–	55,500	98,212	–	98,212
Corporate income	43,108	–	43,108	31,304	–	31,304
Fundraising income	94,942	–	94,942	166,557	397	166,954
	718,381	30,588	748,969	823,349	41,346	864,695

Fundraising income includes events, raffle, community fundraising and donations.

3 Income from charitable activities

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	2020 Total £
CCG grant	361,094	–	361,094	277,756	277,756
Hospice UK Income	–	274,386	274,386	–	–
Other income	7,723	–	7,723	–	–
Sub-total for Hospice services	368,817	274,386	643,203	277,756	277,756
Education income	–	–	–	3,608	3,608
Sub-total for Education	–	–	–	3,608	3,608
Total income from charitable activities	368,817	274,386	643,203	281,364	281,364

Education income is for medical student palliative care placements.
All income from charitable activities is unrestricted.

5a Analysis of expenditure (current year)

			Charitable activities				
	Raising funds £	Charity shop costs	Hospice services & Education £	Governance costs £	Support costs £	2021 Total £	2020 Total £
Staff costs (Note 7)	87,663	273,664	418,900	–	215,115	995,342	1,067,191
Fundraising costs	17,034	–	–	–	–	17,034	16,571
Hospice events	5,267	–	–	–	–	5,267	31,385
Hospice care	–	–	20,127	–	–	20,127	49,881
Community fundraising	1,279	–	–	–	–	1,279	4,207
Corporate costs	13,424	–	–	–	–	13,424	17,090
Spiritual care	–	–	80	–	–	80	65
Volunteer costs	–	–	–	210	–	210	1,508
Catering	–	–	8,985	–	–	8,985	8,956
ACP costs	–	–	889	–	–	889	796
Running costs	–	240,368	–	1,461	–	241,829	293,645
Comms and marketing	–	–	–	–	6,962	6,962	9,011
Operations	–	–	–	–	44,455	44,455	41,266
Building costs	–	–	–	–	78,413	78,413	112,083
IT costs	4,096	–	998	–	21,829	26,923	26,271
Training	1,101	–	2,643	167	1,280	5,190	5,308
Professional fees	–	–	–	7,761	2,947	10,708	5,139
Audit fee	–	–	–	11,445	–	11,445	11,795
	129,863	514,032	452,623	21,043	371,001	1,488,562	1,702,168
Support costs	126,140	–	244,861	–	(371,001)	–	–
Governance costs	7,155	–	13,889	(21,043)	–	–	–
Total expenditure 2021	263,158	514,032	711,372	–	–	1,488,562	
Total expenditure 2020	338,871	599,834	763,463	–	–		1,702,168

5b Analysis of expenditure (prior year)

			Charitable activities				
	Raising funds £	Charity shop costs	Hospice services & Education £	Governance costs £	Support costs £	2020 Total £	2019 Total £
Staff costs (Note 7)	111,059	314,653	408,732	–	232,747	1,067,191	1,020,055
Fundraising costs	16,571	–	–	–	–	16,571	8,737
Hospice events	31,385	–	–	–	–	31,385	23,009
Hospice care	–	–	49,881	–	–	49,881	53,208
Community fundraising	4,207	–	–	–	–	4,207	7,564
Raffle	–	–	–	–	–	–	5,260
Corporate costs	17,090	–	–	–	–	17,090	7,171
Spiritual care	–	–	65	–	–	65	97
Volunteer costs	–	–	882	626	–	1,508	100
Catering	–	–	8,921	35	–	8,956	8,310
ACP costs	–	–	796	–	–	796	2,134
Running costs	4,864	285,181	–	3,600	–	293,645	268,936
GDPR	–	–	–	–	–	–	24,307
Comms and marketing	–	–	–	–	9,011	9,011	8,945
Operations	–	–	–	–	41,266	41,266	43,823
Building costs	–	–	–	–	112,083	112,083	73,026
IT costs	–	–	–	–	26,271	26,271	20,513
Training	2,144	–	–	60	3,104	5,308	504
Professional fees	–	–	–	425	4,714	5,139	448
Audit fee	–	–	–	11,795	–	11,795	5,500
	187,320	599,834	469,277	16,540	429,196	1,702,168	1,581,646
Support costs	145,927	–	283,269	–	(429,196)	–	–
Governance costs	5,624	–	10,917	(16,540)	–	–	–
Total expenditure 2020	338,871	599,834	763,463	–	–	1,702,168	
Total expenditure 2019	295,186	544,415	742,045	–	–		1,581,646

Notes to the financial statements

For the year ended 31 March 2021

6 Net income / (expenditure) for the year

This is stated after charging:

	2021 £	2020 £
Depreciation	63,127	62,820
Loss on disposal of fixed assets	1,558	–
Operating lease rentals:		
Property	81,758	105,691
Equipment	5,600	8,146
Auditor's remuneration (excluding VAT):		
Audit	11,445	11,220
Other services	2,355	1,500
	995,343	1,067,191

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	903,508	971,466
Redundancy and termination costs	–	986
Social security costs	65,165	66,970
Employer's contribution to defined contribution pension schemes	26,670	27,769
	995,343	1,067,191

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2021 No.	2020 No.
£60,000 – £69,999	1	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £279,439 (2020: £259,355).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2020: £nil).

No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

No charity trustee received expenses for the payment or reimbursement of travel and subsistence costs (2020: £nil).

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 55 (2020: 49.0).

Staff are split across the activities of the charity as follows (full time equivalent basis):	2021 No.	2020 No.
Raising funds	2.0	2.1
Management and administration	7.0	5.2
Retail	12.2	14.5
Support	14.2	9.2
Governance	-	-
	<u>35.4</u>	<u>31.0</u>

9 Related party transactions

During the financial year ended 31 March 2021, KEMP House Trust (Hospice Shop) Ltd made sales of donated goods on behalf of the hospice to the value of £45,966 (2020: £156,858).

At 31 March 2021 KEMP House Trust (Hospice Shop) Ltd owed KEMP House Trust Ltd £264,238 (2020: £271,297).

KEMP House Trust Limited received grants of £357,019 (2020: £367,127) from KEMP House Trust, of which £76,005 (2020: £101,599) was outstanding at year end.

Aggregate donations from related parties were £1,436 (2020: £7,302).

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary KEMP House Trust (Hospice Shop) Limited distributes under Gift Aid available profits to the parent charity. Its charge to corporation tax in the year was:

	2021 £	2020 £
UK corporation tax at 19%	<u>9,124</u>	<u>109</u>

11 Tangible fixed assets**The group**

	Leasehold buildings £	Leasehold property improvements £	Motor vehicles £	Office equipment £	Furniture and equipment £	Total £
Cost						
At the start of the year	787,751	26,080	22,120	91,577	371,312	1,298,840
Additions in year	20,731	–	–	3,716	3,327	27,773
Disposals in year	–	–	–	–	(33,075)	(33,075)
At the end of the year	808,482	26,080	22,120	95,293	341,564	1,293,538
Depreciation						
At the start of the year	127,078	21,657	15,899	34,734	348,647	548,014
Charge for the year	19,691	1,517	1,555	29,918	10,446	63,127
Eliminated on disposal	–	–	–	–	(31,517)	(31,517)
At the end of the year	146,769	23,174	17,454	64,652	327,576	579,624
Net book value						
At the end of the year	661,713	2,906	4,666	30,641	13,988	713,914
At the start of the year	660,673	4,423	6,221	56,843	22,665	750,826

The Charity

	Leasehold buildings £	Office equipment £	Furniture and equipment £	Total £
Cost				
At the start of the year	787,751	88,577	310,767	1,187,095
Additions in year	20,731	3,716	2,614	27,061
At the end of the year	808,482	92,293	313,381	1,214,156
Depreciation				
At the start of the year	127,078	34,134	296,646	457,858
Charge for the year	19,691	29,318	8,132	57,141
At the end of the year	146,769	63,452	304,778	514,999
Net book value				
At the end of the year	661,713	28,841	8,603	699,156
At the start of the year	660,673	54,443	14,121	729,237

The above assets are used for the Group and Charity.

12 Subsidiary undertaking

The charity owns the whole of the issued ordinary share capital of KEMP House Trust (Hospice Shop) Limited, a company registered in England. The company number is 02847086. The registered office address is 41 Mason Road, Kidderminster, DY11 6AG.

The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are distributed under Gift Aid to the parent charity.

The Hospice trustees and Directors of the subsidiary have agreed to liquidate the trading company within the next financial year. The retail income generation will continue to operate in the parent charity.

Shayne Taylor, Alison Field and Polly Symondson are also directors of the subsidiary.

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

	2021 £	2020 £
Turnover	282,850	555,818
Cost of sales	(2,456)	(4,864)
Gross profit	280,395	550,953
Administrative expenses	(516,706)	(603,437)
Management charge payable to parent undertaking	(13,003)	(12,520)
Other operating income	352,436	–
Loss on ordinary activities before interest and taxation	103,122	(65,003)
Interest receivable and similar income	144	563
Loss on ordinary activities before taxation	103,267	(64,440)
Taxation on profit on ordinary activities	(9,124)	(109)
Profit for the financial year	94,143	(64,550)
Retained earnings		
Total retained earnings brought forward	(65,214)	(664)
Profit for the financial year	94,143	(64,550)
Distribution under Gift Aid to parent charity	(94,143)	–
Total retained earnings carried forward	(65,214)	(65,214)
The aggregate of the assets, liabilities and reserves was:		
Assets	332,951	266,612
Liabilities	(393,163)	(326,823)
Reserves	(60,212)	(60,212)

Amounts owed to the parent undertaking are shown in note 16.

	2021 £	2020 £
Shares in group undertaking		
Cost at 1 April 2020 and 31 March 2021	5,002	5,002

The charity owns 100% of the share capital of KEMP House Trust (Hospice Shop) Limited.

13 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2021 £	2020 £
Gross income	1,625,900	1,344,914
Result for the year	656,500	251,711

14 Stock

	The group		The charity	
	2021 £	2020 £	2021 £	2020 £
Bought goods	2,579	5,212	–	178
	2,579	5,212	–	178

15 Debtors

	The group		The charity	
	2021 £	2020 £	2021 £	2020 £
Trade debtors	20,055	95,204	20,055	95,204
Amounts due from subsidiary company	–	–	371,384	271,297
Amounts due from KEMP House Trust	76,004	101,599	75,738	101,599
VAT	118,989	97,232	116,644	93,216
Other debtors	14,797	30	1,826	30
Gift Aid	24,504	24,291	24,504	24,291
Prepayments and accrued income	129,732	55,804	75,015	35,204
	384,080	374,161	685,165	620,841

16 Creditors: amounts falling due within one year

	The group		The charity	
	2021 £	2020 £	2021 £	2020 £
Trade creditors	27,982	53,738	3,214	17,008
Taxation and social security	25,922	17,670	15,042	13,582
Pension Fund	4,697	4,227	4,697	4,227
Other creditors	–	244	–	–
Accruals and deferred income	23,547	23,025	11,411	8,561
	82,149	98,904	34,364	43,379

17a Analysis of group net assets between funds (current year)

	General unrestricted £	Restricted funds £	Designated funds £	Total funds £
Tangible fixed assets	116,388	597,526	–	713,914
Net current assets	1,201,247	7,088	337,800	1,546,135
Net assets at 31 March 2021	1,317,635	604,614	337,800	2,260,049

17b Analysis of group net assets between funds (prior year)

	General unrestricted £	Restricted funds £	Designated funds £	Total funds £
Tangible fixed assets	129,529	621,297	–	750,826
Net current assets	844,201	8,522	–	852,723
Net assets at 31 March 2020	973,730	629,819	–	1,603,549

Notes to the financial statements

For the year ended 31 March 2021

18a Movements in funds (current year)

	At 1 April 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2021 £
Restricted funds:					
KEMP in the Garden Building – depreciation of annexe buildings	286,416	–	(15,912)	–	270,504
Freehold property at Mason Road	330,557	–	(3,535)	–	327,022
QBE European Operations Foundation – Butterfly Room adaptations	4,324	–	(4,324)	–	–
J A Gillett Charitable Trust – Nursing Services	–	–	–	–	–
Hospice UK	–	274,386	(274,386)	–	–
BBC Children in Need – Childrens Bereavement Residential Weekend	–	7,088	–	–	7,088
Brian Shaw Trust – Coronavirus Community Support Service	–	1,000	(1,000)	–	–
W A Cadbury Charitable Trust – Coronavirus Community Support Service	–	1,500	(1,500)	–	–
Western Power (Community Matters Fund) – Coronavirus Community Support Service	–	2,700	(2,700)	–	–
Worcestershire Community Foundation – Coronavirus Community Support Service	–	4,600	(4,600)	–	–
Baron Davenport's Charity – Bereavement Support (COVID response)	–	5,000	(5,000)	–	–
Blakemore Foundation – Bereavement Support (COVID response)	–	200	(200)	–	–
Laslett's (Hinton) Charity – Bereavement Support (COVID response)	–	2,500	(2,500)	–	–
Sir Jules Thorn Charitable Trust – Coronavirus Community Support Service	–	5,000	(5,000)	–	–
Hospice Aid UK – Bereavement Support (COVID response)	–	1,000	(1,000)	–	–
Eveson Charitable Trust – KEMP for Carers	8,522	–	(8,522)	–	–
Total restricted funds	629,819	304,974	(330,179)	–	604,614
Unrestricted funds:					
Designated funds:					
Redesign and landscaping of garden	–	–	–	100,000	100,000
Refurbishment of hospice patient focussed rooms and general areas	–	–	–	105,800	105,800
Hospice kitchen & equipment	–	–	–	20,000	20,000
Wellbeing	–	–	–	4,000	4,000
Digital	–	–	–	48,000	48,000
Hospice roof and cellar	–	–	–	60,000	60,000
Total designated funds	–	–	–	337,800	337,800
General funds	973,730	1,849,212	(1,167,508)	(337,800)	1,317,635
Total unrestricted funds	973,730	1,849,212	(1,167,508)	–	1,655,435
Total funds	1,603,549	2,154,186	(1,497,687)	–	2,260,049

Designated funds are funds which the trustees have set aside for the maintenance and improvement works to the hospice building, employee wellbeing and the development of our digital strategy.

18b Movements in funds (prior year)

	At 1 April 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2020 £
Restricted funds:					
KEMP in the Garden Building – depreciation of annexe buildings	302,328	–	(15,912)	–	286,416
Freehold property at Mason Road	334,092	–	(3,535)	–	330,557
QBE European Operations Foundation – Butterfly Room adaptations	4,368	–	(44)	–	4,324
J A Gillett Charitable Trust – Nursing Services	–	1,000	(1,000)	–	–
BBC Children in Need – Childrens Bereavement Residential Weekend	–	6,949	(6,949)	–	–
Michael & Anna Wix Charitable Trust – Nursing Services	–	200	(200)	–	–
Lynn Foundation – Nursing Services	–	500	(500)	–	–
Pamela Barlow Charitable Foundation – Nursing Services	–	500	(500)	–	–
W E Dunn Trust – Nursing Services	–	1,750	(1,750)	–	–
Rowlands Trust – Furniture for Counselling Rooms	–	4,050	(4,050)	–	–
L & R Gilley Charitable Trust – Nursing Services	–	2,000	(2,000)	–	–
Inman Charity – Nursing Services	–	4,000	(4,000)	–	–
Mrs J B Albright's Grimley Charity – KEMP for Carers	–	1,000	(1,000)	–	–
GJW Turner Trust – KEMP for Carers	–	3,000	(3,000)	–	–
Birmingham District Nursing Charitable Trust – KEMP for Carers	–	2,000	(2,000)	–	–
Edgar E Lawley Foundation – KEMP for Carers	–	1,500	(1,500)	–	–
Eveson Charitable Trust – KEMP for Carers	–	10,000	(1,478)	–	8,522
St John's Club – KEMP for Kids	–	397	(397)	–	–
DMF Ellis Charitable Trust – KEMP for Kids	–	2,500	(2,500)	–	–
Total restricted funds	640,788	41,346	(52,315)	–	629,819
Unrestricted funds:					
General funds	776,264	1,847,429	(1,649,963)	–	973,730
Total unrestricted funds	776,264	1,847,429	(1,649,963)	–	973,730
Total funds	1,417,052	1,888,775	(1,702,278)	–	1,603,549

19 Operating lease commitments payable as a lessee

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2021	2020	2021	2020
	£	£	£	£
Less than one year	70,403	70,403	1,296	1,296
One to five years	189,285	271,701	4,304	7,120
Over five years	–	20,833	–	–
	259,688	362,937	5,600	8,416

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2021	2020	2021	2020
	£	£	£	£
Less than one year	14,667	14,667	439	439
One to five years	110,500	146,000	3,076	4,833
Over five years	–	20,833	–	–
	125,167	181,500	3,515	5,272

20 Capital commitments

At the balance sheet date, the group had no capital commitments (2020: £5,850).

21 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.