

Company number: 07846810
Charity Number: 1146310

KEMP Hospice

Formerly KEMP House Trust

Report and consolidated financial statements

For the year ended 31 March 2023



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For the year ended 31 March 2023

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Reference and administrative information

For the year ended 31 March 2023

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

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:

Mr Geoff Taylor-Smith Chair
Mrs Kate E Collyer
Mrs Janet Rowe
Mr Shayne Taylor (Resigned 30 September 2022)
Mrs Julia Neal
Ms Polly Symondson (Resigned 22 September 2023)
Ms Katherine Ellis
Mrs Suzanne Beattie
Mr Philip Davison (Appointed 30 September 2022)

Key management personnel

Caroline Beech	Chief Executive
Laurey Grennall	Head of Hospice Services
Charlie Homer	Head of Fundraising & Communications (Resigned 24 March 2023)
Jayne Sargeant	Head of Fundraising & Communications (Appointed 27 March 2023)
Gary Barnes	Head of Retail
Andy Stanney	Head of People
Rachel Paget	Head of Finance

Bankers

Santander
Bridle Road
Bootle
L30 4GB

HSBC Bank plc
6 Broad Street
Worcester
WR1 2EJ

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 2023.

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:

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

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.

Provided by a team of dedicated staff and 190 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 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, including complementary therapies and creative arts provision;
- ✚ *Support services provided in the home* – including occupational therapy, an exercise and wellbeing practitioner who can offer support via Zoom and exercise plans for patients at home;
- ✚ *A support group and monthly drop-in sessions for carers;*
- ✚ *Virtual support (provided online) for patients where there is an identified need for this and face-to-face support is either not appropriate or accessible;*
- ✚ *Family Support & Bereavement Services* – counselling and emotional support for adults affected by a life limiting illness or bereavement and children and young people affected by bereavement or a family member's life limiting illness. Our trained counsellors support individuals by giving them a safe place to share their feelings, manage their grief and help build a future life.
- ✚ *Welfare & Financial Advice* – offering 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 offer care and support through music, spiritual creativity, reflection, or prayer.

We are proud to work closely with the Community 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 weekly from one of our treatment rooms.

Achievements and performance 2022-23

It has been an incredibly busy year at KEMP Hospice with many exciting developments, as well as challenges with recruitment, increasing complexities and demands on services. Despite the challenges, in 2022-2023 KEMP Hospice has continued to develop and continue services without any or minimal disruption. We have reopened our services fully to the new normal following the main Covid-19 pandemic years of 2020-2022.

Service provision

Our KEMP Hospice Services Team includes specialists which provide, rehab and exercise, occupational therapy, creative arts and complementary therapies, financial and welfare support, and wellbeing support. Patients, families, and carers can access support from our team of specialists through one-to-one appointments, group settings on site or virtually, as well as outreaching services and support to patients' home. The KEMP Hospice Specialist Team, work with the patient to develop an individualised holistic plan of care and support which is regularly reviewed with the patient and adapted to their individual needs.

KEMP Hospice Outreach provides specialist support, advice, education, and training to 44 care homes in the Wyre Forest District; advocating and supporting residents to ensure their wishes and preferences are known and supported with regards to advanced care planning and care.

We have experienced a challenging year with recruitment which seems to be the trend experienced within the hospice sector and NHS providers locally and nationally.

This has required KEMP Hospice to be innovative in our recruitment strategy of health professionals. As part of this review process, we have employed a Development Clinical Nurse Specialist who will complete a

structured competency and training framework over a 2-year period. To deliver this training we have collaborated with St Richards Hospice and the Community Specialist Palliative Team who will provide placement hours gaining experience in all aspects of specialist palliative care.

We have recruited into two key posts; Care Services Manager (previous incumbent retired in December 2022) and Family Support & Bereavement Services Manager. This places KEMP in a strong position to continue developing our service provision for those living within the Wyre Forest.

Family Support and Bereavement

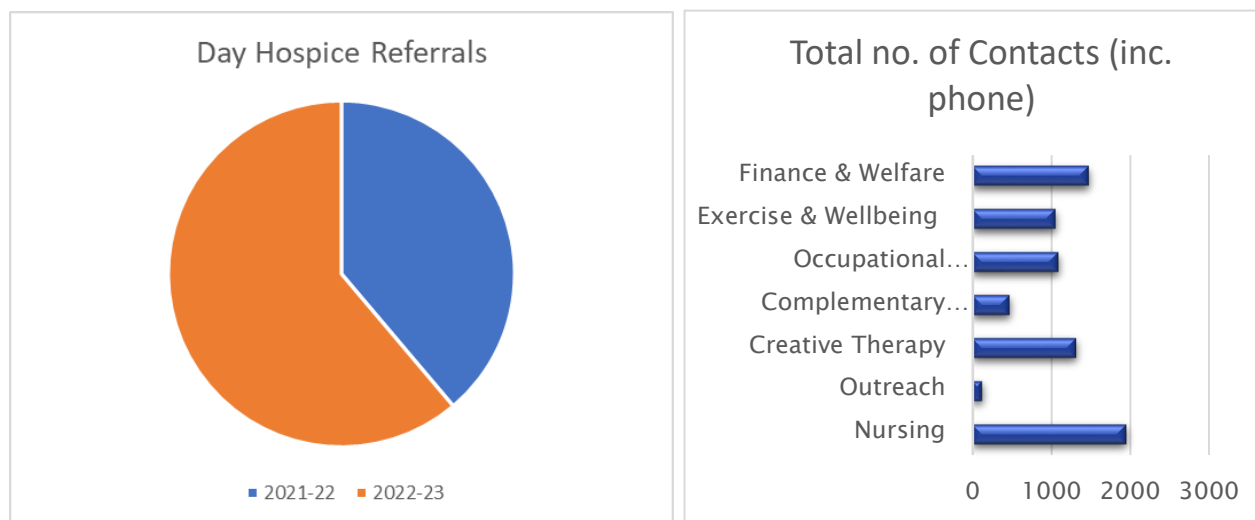
Our bereavement team of specialist counsellors and trained volunteers support anyone who is facing or who has experienced a bereavement or loss in the last 5 years. Our services are available to children from the age of 5, young people and adults, through one-to-one counselling and group support. Bereavement clients can be seen at the hospice, at school and in people's homes. Our young people's service offers therapeutic support including using arts, crafting, play and talking to enable young people to explore their emotions as well as regular memory days throughout the year.

Members of the Family Support & Bereavement Counselling Team are working with colleagues from St Richards and Primrose Hospices and will be delivering training to schools across Worcestershire. The first training session was delivered February 2023. This training will support schools to develop appropriate and supportive bereavement policies so that children and young people have access to good immediate support from their school following a bereavement. In May 2022 we ran a Memory Day for children receiving bereavement support at an outdoor activity centre.

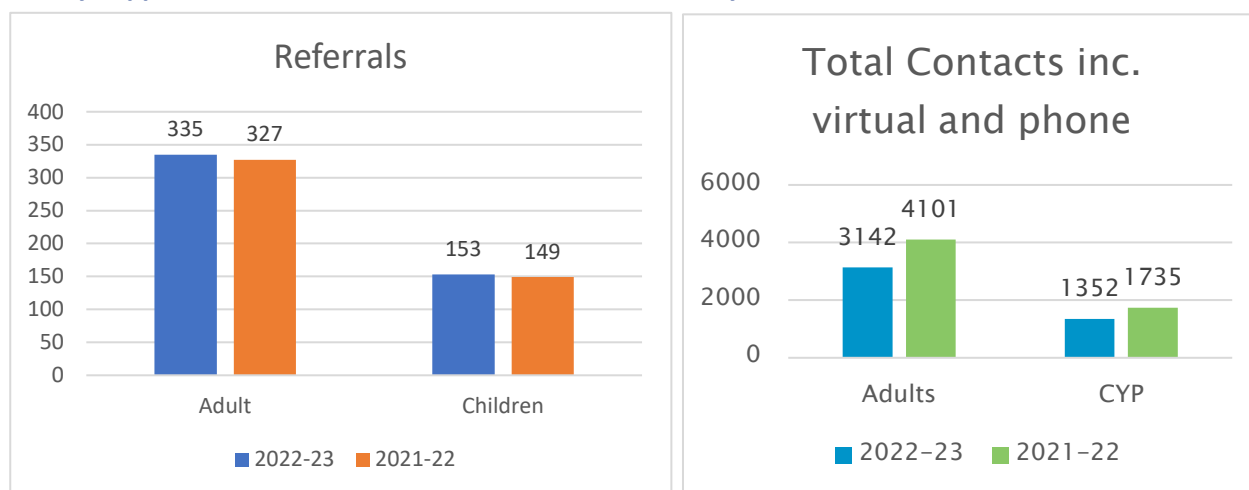
Activity 2022-23

Care Services Referrals & Activity

Patients are now accessing a wider level of support provided by the multi-disciplinary team, and we have seen a significant increase in 2022-23 for Day Hospice Services with a total of 493 referrals compared to 313 in 2021-22. The total number of contacts, including phone contacts, for 2022-23 are shown below for each service activity.



Family Support & Bereavement Services Referrals & Activity



We received 335 referrals (327 2021/22) for support for bereaved adults and 153 (149 2021/22) for children and young people. We had seen a significant increase in demand in 2021-22 and this increase has remained consistent in 2022-23. We have had a total of 4,458 contacts with clients and of those 3,142 were with adults (4,101 2021/22) and 1,352 were children and young people contacts (1,735 2021/22). Contacts are sessions which are delivered either by phone, face to face or virtual. The reduction in contacts in 2022-23 compared to the previous year reflects the return of face-to-face sessions following the pandemic.

Additional Key Highlights / Developments in Services 2022-23

- ✈ CQC direct monitoring call held 25/07/22 with CQC inspector, LG (Head of Hospice Services) and KC (Care Services Manager). The outcome was that there was no need for inspection in 2022-2023 and for another monitoring call in around 12 months unless a need to reassess raised with CQC. This was updated on the CQC website as follows: We reviewed the information and data available to us about KEMP Hospice on 8 September 2022. We have not found evidence that we need to reassess the rating at this stage. We will continue to monitor information about this service.
- ✈ EMIS electronic notes went live for the Care Services Team. This has been designed for our specialist needs to enable comprehensive assessments, documentation and reporting which will enable evidencing and enhanced reporting of our impact and care. Once data sharing agreements have been finalised EMIS will allow information sharing between GPs, community services and hospices which will be beneficial for patient care and improve communication and collaborative working between service providers.
- ✈ Outreaching Complementary Therapy and Exercise & Wellbeing into patients place of residence.
- ✈ A new befriending service launched in April 2023 following the appointment of a Befriending Volunteer Coordinator in August 2022. The KEMP Befriending Service aims to provide companionship, emotional support, and a listening ear to those living with life limiting illness who may be experiencing isolation and loneliness in their home. The KEMP Befriending Service places a volunteer with someone who would benefit from a weekly visit to offer company and conversation. They may join in with hobbies and interests of the person they are visiting but will not be permitted or required to provide any personal or medical care.

What Our Patients, Clients and Professionals say About Us

At KEMP we value the feedback we receive from the people who receive our support, their families, and carers. This helps us to always be assessing and reviewing our work, ensuring that we are improving the quality of care we provide.

Carers group feedback

I would absolutely recommend this course - we can talk in front of each other, listening, crying, laughing, just venting for the few hours. I can't thank all the staff enough for the hard work, caring and dedication they have shown to each one of us who attended the course.

Complementary Therapy

Reported by a Parkinson's patient: "I have found the exercises suggested by the Complementary Therapist very beneficial and have been practising at home".

Finance & Welfare

Took the financial side off my family: Helped me get a benefit I didn't know I was entitled to. They were always at the end of the phone if I have any other matters to deal with. Help and advice was perfect. They sorted out everything that we needed. Fantastic lady.

University of Worcester

The Counties School of Nursing & Midwifery

"Rewarding excellence in facilitating student learning" Just a note to say thank you for all your assistance with the supervision and assessment of student nurses. Your team has been ascertained via student evaluations as an outstanding unit when it comes to supporting students.

Outreach Nurse Specialist

Talking to the Outreach Nurse helped me to get things into perspective and make the choices that will ensure my mum gets the support and care she needs. Thank you so much.

Care Services Team

"Thank you to EVERYONE involved in the Jubilee Party at KEMP Hospice. I so enjoyed meeting new people and the activities provided for us all. It would be unfair to name any names, but you all know who you are who took so much care and pleasure in that day; but please thank all the 'behind the scenes' people involved, especially the volunteers. KEMP is a very special place because of the VERY SPECIAL PEOPLE who work and volunteer there."

Complementary Therapy & Creative Arts

The massage was very relaxing and then to go and paint a lovely thing for Easter was so therapeutic.

Exercise & Wellbeing Practitioner

Tripudio Flow: easy to follow, fun. Very knowledgeable and explains so well and is encouraging.

It was very easy to follow and was a good workout. Practitioner was very positive in her delivery which made it a great experience. The whole session was both calming and energising.

Family Support & Bereavement Counselling Team

Counselling has changed my life forever. After everything you think you can't ever think you can be who you are again. The counsellor helped me become a better version of myself, my family and friends have noticed how happy I am now. I understand it all now with no guilt or regret. It's amazing.

It made me realise I am important, and I deserve a life.

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. We received no complaints in relation to our fundraising activities during the year.
- ✚ 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.

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.

At the end of the financial year we are fortunate to have an incredible 190 individuals volunteering their time across our charity within Retail; Fundraising; Finance; Care and Bereavement Services; and on our Board of Trustees. In total an incredible 32,253 hours of time, commitment, hard work and skills were shared to help us in delivering our work.

Financial review

Our total income for the year was £1,744,211 (2022: £2,021,740) with a net surplus of £50,246 (2022: £377,829). All our income is used to support in the delivery of services to our patients and clients.

Income

We received annual funding in the form of a grant agreement from Herefordshire and Worcestershire Integrated Care System totalling £292,980 (2022: £286,113).

There are some notable achievements for our income within this financial year, despite the continuing challenges due to the economic uncertainties.

- ✂ We are delighted to report an income of £737,848 (2021/22: £694,383) from our charity shops for 2022/23.
- ✂ Our lottery income, £55,052 (2021/22: £53,883) has continued to increase compared to last year.
- ✂ We received a total of £243,539 (2022: £14,099) of legacy income which had a transformational impact on our income total for the year.

Our thanks go to the Trustees of KEMP House Trust, who supported us in this financial year with funding of £50,000 towards us adapting and continuing to provide our vital services.

We are also grateful to the following Trusts and Foundations for their support:

- | | |
|---|------------------------------------|
| ✂ The February Foundation | ✂ The J A Gillett Charitable Trust |
| ✂ Arnold Clark Community Fund | ✂ The Heathcock Charitable Trust |
| ✂ MFG Solicitors | ✂ The DMF Ellis Charitable Trust |
| ✂ Albright Grimley Charity | ✂ Baron Davenport's Charity |
| ✂ The Burford Trust | ✂ The Eveson Charitable Trust |
| ✂ The Astley & Areley Kings Sick Fund | ✂ The Blakemore Foundation |
| ✂ Albert Hunt Trust | ✂ The Douglas Turner Trust |
| ✂ Eric W Vincent | ✂ Lillie Johnson Charitable Trust |
| ✂ Cadbury's | ✂ GJW Turner Trust |
| ✂ the Michael & Anna Wix Charitable Trust | ✂ The Charity of Stella Symons |
| ✂ Brian Shaw Memorial Trust | ✂ Hospice Aid UK |
| ✂ The TK Maxx and Homesense Foundation | |
| ✂ The Blakemore Foundation | ✂ The L&R Gilley Charitable Trust |
| ✂ Lillie Johnson Charitable Trust | ✂ Laslett's Charities |
| ✂ Worcestershire Enterprise Limited | ✂ Lillie Johnson Charitable Trust |
| ✂ The Ardwick Trust | ✂ The Uncle Bill Trust |
| | ✂ Children in Need |

Expenditure

Our total expenditure in 2022/23 was £1,693,965 (2022: £1,643,911) and contribution split can be seen below.

Our fundraising and retail expenditure directly supports our income generation for the charity, and this was increased in this financial year at £915,598 (2022: £913,011) which reflects the increase in salary and utility costs.

Total funds held at the end of the financial year were £2,688,123 (2022: £2,637,878), of which £567,600 (2022: £597,614) 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:

- ✎ **Failure to raise the required funds to deliver our services.** 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 and any variances against budget are reviewed. We also have a comprehensive fundraising strategy.
- ✎ **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.
- ✎ **Changes in government/Integrated Care Board funding and commissioning strategy.** We maintain effective, open relationships with our commissioners and ensure all reporting requirements are met.
- ✎ **Failure to comply with safeguarding requirements.** We ensure all relevant roles undertake mandatory safeguarding training, and the board of trustees and management team ensure that processes and procedures are up to date and relevant.

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 Head of Hospice Services and Care Services Manager took part in a virtual engagement meeting with our Inspector in July 2022 and updated on our changes in service delivery. There were no concerns raised.
- ✎ We continue to review all clinical policies and procedures, as well as ensuring a focus on the CQC Key Lines of Enquiry.
- ✎ 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 Integrated Care Board Quality and Contract officers.

Reserves policy and going concern

The trustees have examined the charity's requirements for reserves considering the main risks as listed above to the organisation, including assessed projected future income, expenditure and cashflows.

The Trustees believe the Charity's financial resources and contingency planning is sufficient to ensure the continuation of the Charity as a going concern for the foreseeable future. Consequently, the financial statements have been prepared on this basis.

A reserves policy is established to ensure the Charity has the financial capacity needed to safeguard the provision of vital services to patients and carers from the adverse financial effects of significant and unforeseen changes in income and expenditure.

The boards target policy for available reserves are that the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be at least 6 months and no more than 18 months of anticipated expenditure. Based on the latest set of accounts, this should be between £846k and £2,540k. The Charity is a going concern, and the Board of Trustees fully intend to see this continue long into the future. Should this not be possible, available reserves would assist the Charity in honouring its commitments to patients and carers, employees, supporters and creditors as it scales back operations.

At the end of the financial year unrestricted reserves for the Charity were £1,704,457 (2022: £1,624,197), which is 12 months of the anticipated expenditure and representative of the desired reserves position.

Available reserves are calculated in accordance with the Charity Commission guidance as follows:

	£
Total Reserves	2,688,124
Less	
Restricted Reserves	(567,600)
Designated funds – Capital projects	(412,067)
Designated funds – Wellbeing	(4,000)
Available unrestricted reserves	1,704,457

The board manages financial risks, such as income or cost fluctuation by regularly reviewing our financial plans and income pipelines.

Plans for the future

As we enter the last year of KEMP's current 5-year strategy we will begin to focus on creating a new strategy for the organisation which will focus on the future needs of the growing population in the Wyre Forest.

Structure, Governance and Management

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.

The company name was changed from KEMP House Trust Ltd to KEMP Hospice by resolution on 30th September 2022 and certified by Companies House on 13th October 2022.

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.

Our Group Structure

The group comprises the Trust and its wholly owned subsidiary KEMP House Trust (Hospice Shop) Limited. The group produces consolidated accounts that include the result of both entities.

KEMP House Trust (Hospice Shop) Limited is a wholly owned trading subsidiary. Its purpose is to generate income to support the Charity's objectives by selling donated and new goods at a profit in a network of shops. The trading company acts as the Trust's agent for an HMRC approved Gift Aid scheme for donated goods. It transfers profits to the Charity using the HMRC Gift Aid scheme for corporate donations. Its results are set out in note 12 of these financial statements.

The Board of Trustees

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:

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, Caroline Beech; Head of Finance, Rachel Paget; Head of Fundraising & Communications, Jayne Sargeant; Head of Hospice Services, Laurey Grennall; Head of People, Andy Stanney 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.

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 can embed Equality, Diversity and Inclusion within our culture and across all operations, including within the Board itself.

Appointment of trustees

KEMP Hospice recruit trustees based on several 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 structured 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 Phil Davison as a trustee.

The following committees remain unchanged throughout the year; MAGIC (Marketing and Generation of Income Committee), Finance, Resource and Risk Committee, and Hospice Services Committee. Trustees must complete mandatory training which includes: safeguarding; data security awareness; equality, diversity and human rights; and health and safety.

None of the trustees are remunerated.

Related parties and relationships with other organisations

KEMP House Trust is a separate registered charity (charity no. 511141), 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 2023 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 meet with the trustees twice a year and provide regular written reports to the board.

KEMP House Trust (Hospice Shop Ltd): The Trading Company is a wholly owned subsidiary of the Hospice. There were two 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. Both of the current directors are hospice Trustees. The Head of Retail and Head of Finance & Infrastructure attend the Board meetings, which are held quarterly.

Following a review of the organisational structure and the decision to continue with the operation of the trading company, the work to negotiate lease terms of the retail property portfolio continues.

Statement of responsibilities of the trustees

The trustees (who are also directors of KEMP Hospice 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 2023 was 8 (2022: 8). 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 6 December 2023 and signed on their behalf by

Geoff Taylor-Smith
Chair

Independent auditor's report

To the members of

KEMP Hospice (formerly KEMP House Trust Limited)

Opinion

We have audited the financial statements of KEMP Hospice (formerly KEMP House Trust Limited) (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2023 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 2023 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 Hospice (formerly 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 Hospice (formerly 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.

Independent auditor's report

To the members of

KEMP Hospice (formerly KEMP House Trust Limited)

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;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;

Independent auditor's report

To the members of

KEMP Hospice (formerly KEMP House Trust Limited)

- 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 Hospice (formerly 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)

12 December 2023

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

KEMP Hospice (formerly KEMP House Trust Limited)
Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2023

	Note	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Income from:							
Donations and legacies	2	601,647	22,230	623,877	796,389	33,132	829,521
Charitable activities							
Hospice services	3	307,824	–	307,824	295,003	61,320	356,323
Education income	3	2,456	–	2,456	1,391	–	1,391
Other trading activities							
Charity shop income		737,848	–	737,848	694,383	–	694,383
Management charges		3,000	–	3,000	3,000	–	3,000
Lottery income		55,052	–	55,052	53,883	–	53,883
Other income							
Coronavirus Job Retention Scheme		–	–	–	8,106	–	8,106
Retail, Hospitality & Leisure Grants		–	–	–	27,335	–	27,335
Retail Business Interruption Insurance		–	–	–	23,539	–	23,539
Kickstart		–	–	–	22,746	–	22,746
Investments		14,154	–	14,154	1,513	–	1,513
Total income		1,721,981	22,230	1,744,211	1,927,288	94,452	2,021,740
Expenditure on:							
Raising funds	5						
Fundraising costs		337,725	–	337,725	313,747	–	313,747
Charity shop costs		577,873	–	577,873	599,264	–	599,264
Charitable activities							
Hospice services	5	725,589	52,244	777,833	629,447	101,452	730,899
Tax payable by subsidiaries	12	535	–	535	–	–	–
Total expenditure		1,641,722	52,244	1,693,965	1,542,459	101,452	1,643,911
Net income / (expenditure) for the year	6	80,259	(30,014)	50,245	384,829	(7,000)	377,829
Transfers between funds		–	–	–	–	–	–
Net movement in funds		80,259	(30,014)	50,245	384,829	(7,000)	377,829
Reconciliation of funds:							
Total funds brought forward		2,040,264	597,614	2,637,878	1,655,435	604,614	2,260,049
Total funds carried forward		2,120,523	567,600	2,688,123	2,040,264	597,614	2,637,878

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 19a to the financial statements.

KEMP Hospice (formerly KEMP House Trust Limited)

Balance sheets

Company no. 07846810

As at 31 March 2023

		The group		The charity	
	Note	2023	2022	2023	2022
		£	£	£	£
Fixed assets:					
Tangible assets	11	660,643	689,900	648,002	672,159
Investments	12	–	–	5,002	5,002
		660,643	689,900	653,004	677,161
Current assets:					
Stock	14	2,361	26	–	–
Debtors	15	563,126	755,835	1,219,424	1,215,479
Cash at bank and in hand		1,640,960	1,392,699	923,176	902,020
		2,206,447	2,148,560	2,142,600	2,117,499
Liabilities:					
Creditors: amounts falling due within one year	16	(149,067)	(200,582)	(133,255)	(156,782)
Net current assets		2,057,380	1,947,978	2,009,345	1,960,717
Provision for liabilities	17	(29,900)	–	(6,000)	–
Total assets less current liabilities		2,688,123	2,637,878	2,656,349	2,637,878
Total net assets		2,688,123	2,637,878	2,656,349	2,637,878
Funds:	18a				
Restricted income funds		567,600	597,614	567,600	597,614
Unrestricted income funds:					
Designated funds		416,067	416,067	416,067	416,067
General funds		1,704,456	1,624,197	1,672,682	1,624,197
Total funds		2,688,123	2,637,878	2,656,349	2,637,878

Approved by the trustees on 6th December 2023 and signed on their behalf by

Geoff Taylor-Smith
Chair

Janet Rowe
Trustee

Consolidated statement of cash flows

For the year ended 31 March 2023

	Note	2023		2022	
		£	£	£	£
Cash flows from operating activities					
Net income for the reporting period (as per the statement of financial activities)		50,245		377,829	
Depreciation charges		43,913		72,817	
Loss on disposal of fixed assets		238		-	
Interest from investments		(14,154)		(1,513)	
(Increase)/decrease in stocks		(2,335)		2,553	
Decrease/(Income)in debtors		192,709		(371,755)	
(Decrease)/Increase in creditors		(51,515)		118,433	
Increase in provisions		29,900		-	
Net cash provided by operating activities		249,001		198,364	
Cash flows from investing activities:					
Interest received		14,154		1,513	
Purchase of fixed assets		(14,894)		(48,803)	
Net cash provided used in investing activities		(740)		(47,290)	
Change in cash and cash equivalents in the year		248,261		151,074	
Cash and cash equivalents at the beginning of the year		1,392,699		1,241,625	
Cash and cash equivalents at the end of the year		1,640,960		1,392,699	

Analysis of cash and cash equivalents

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	1,392,699	248,261	1,640,960
Total cash and cash equivalents	1,392,699	248,261	1,640,960

Notes to the financial statements

For the year ended 31 March 2023

1 Accounting policies

a) Statutory information

KEMP Hospice is a charitable company limited by guarantee and is incorporated in England and Wales. KEMP Hospice changed its name from KEMP House Trust Limited by resolution on 30th September 2022. 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.

In the prior year, the directors approved the decision to liquidate the company as the premises leases and trading activity would be transferred to the parent company (KEMP Hospice, formerly KEMP House Trust Limited). The movement of the premises leases between the companies has been delayed and although the directors still intend for this transfer to occur, they plan to keep this company open for other trading purposes.

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 were 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.

Notes to the financial statements

For the year ended 31 March 2023

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.

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.

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.

Notes to the financial statements

For the year ended 31 March 2023

2 Income from donations and legacies

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
General donations	12,935	–	12,935	24,558	–	24,558
Gift aid	62,361	–	62,361	56,809	–	56,809
In memoriam	30,974	–	30,974	28,883	–	28,883
Grants from KEMP House Trust	50,000	–	50,000	435,099	–	435,099
Other charitable trusts	62,500	22,230	84,730	97,416	26,230	123,646
Legacies	243,539	–	243,539	7,197	6,902	14,099
Corporate income	22,463	–	22,463	18,775	–	18,775
Fundraising income	116,875	–	116,875	127,652	–	127,652
	601,647	22,230	623,877	796,389	33,132	829,521

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

3 Income from charitable activities

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
CCG grant	292,980	–	292,980	286,113	–	286,113
Hospice UK Income	–	–	–	–	61,320	61,320
Other income	14,844	–	14,844	8,890	–	8,890
Sub-total for Hospice services	307,824	–	307,824	295,003	61,320	356,323
Education income	2,456	–	2,456	1,391	–	1,391
Sub-total for Education	2,456	–	2,456	1,391	–	1,391
Total income from charitable activities	310,280	–	310,280	296,394	61,320	357,714

Education income is for medical student palliative care placements.

KEMP Hospice (formerly KEMP House Trust Limited)

Notes to the financial statements

For the year ended 31 March 2023

5a Analysis of expenditure (current year)

			Charitable activities				
	Raising funds £	Charity shop costs	Hospice services & Education £	Governance costs £	Support costs £	2023 Total £	2022 Total £
Staff costs (Note 7)	110,711	314,778	411,203	–	252,824	1,089,516	1,098,576
Fundraising costs	35,174	–	–	–	–	35,174	29,183
Hospice events	8,627	–	–	–	–	8,627	9,387
Hospice care	–	–	42,879	–	–	42,879	16,889
Community fundraising	3,188	–	–	–	–	3,188	2,588
Corporate costs	18,020	–	–	–	–	18,020	14,868
Spiritual care	–	–	–	–	–	–	83
Volunteer costs	–	–	148	–	52	200	194
Catering	–	–	6,278	–	–	6,278	3,688
ACP costs	–	–	856	–	–	856	258
Running costs	–	263,630	–	–	–	263,630	290,674
Comms and marketing	–	–	–	–	14,964	14,964	7,164
Operations	–	–	–	600	22,843	23,443	852
Building costs	–	–	–	–	106,448	106,448	91,999
IT costs	8,068	–	–	–	33,114	41,181	32,281
Training	1,235	–	3,664	250	1,595	6,744	13,710
Professional fees	–	–	7,400	–	8,737	16,137	15,941
Audit fee	–	–	–	16,680	–	16,680	15,575
	185,023	578,408	472,428	17,530	440,577	1,693,965	1,643,910
Support costs	146,859	–	293,718	–	(440,577)	–	–
Governance costs	5,843	–	11,687	(17,530)	–	–	–
Total expenditure 2023	337,725	578,408	777,833	–	–	1,693,965	
Total expenditure 2022	313,747	599,264	730,899	–	–		1,643,910

KEMP Hospice (formerly KEMP House Trust Limited)

Notes to the financial statements

For the year ended 31 March 2023

5b Analysis of expenditure (prior year)

	Raising funds £	Charity shop costs	Charitable activities Hospice services & Education £	Governance costs £	Support costs £	2022 Total £
	121,357	308,590	430,676	–	237,953	1,098,576
Fundraising costs	29,183	–	–	–	–	29,183
Hospice events	9,387	–	–	–	–	9,387
Hospice care	–	–	16,889	–	–	16,889
Community fundraising	2,588	–	–	–	–	2,588
Corporate costs	14,868	–	–	–	–	14,868
Spiritual care	–	–	83	–	–	83
Volunteer costs	–	–	–	110	84	194
Catering	–	–	3,688	–	–	3,688
ACP costs	–	–	258	–	–	258
Running costs	–	290,674	–	–	–	290,674
Comms and marketing	391	–	–	92	6,680	7,164
Operations	–	–	–	852	–	852
Building costs	–	–	–	–	–	–
IT costs	1,587	–	698	–	29,996	32,281
Training	316	–	7,917	540	4,937	13,710
Professional fees	–	–	2,550	7,047	6,344	15,941
Audit fee	–	–	–	15,575	–	15,575
	179,677	599,264	462,759	24,216	285,995	1,551,911
Support costs	95,332	–	190,663	–	(285,995)	–
Governance costs	8,072	–	16,144	(24,216)	–	–
Total expenditure 2022	283,081	599,264	669,566	–	–	1,551,911

Notes to the financial statements

For the year ended 31 March 2023

6 Net income / (expenditure) for the year

This is stated after charging:

	2023 £	2022 £
Depreciation	43,913	72,817
Loss on disposal of fixed assets	238	-
Operating lease rentals:		
Property	98,666	94,301
Equipment	473	380
Auditor's remuneration (excluding VAT):		
Audit	10,900	12,050
Audit of subsidiary	3,000	-
Other services	1,750	1,600
	<u>104,940</u>	<u>179,148</u>

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

Staff costs were as follows:

	2023 £	2022 £
Salaries and wages	986,500	991,424
Social security costs	79,161	76,448
Employer's contribution to defined contribution pension schemes	23,855	30,704
	<u>1,089,516</u>	<u>1,098,576</u>

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

	2023 No.	2022 No.
£60,000 – £69,999	<u>1</u>	<u>1</u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £280,061 (2022: £317,035).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2022: £nil).

No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

No charity trustee received expenses for the payment or reimbursement of travel and subsistence costs (2022: £nil).

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 52 (2022: 53).

Staff are split across the activities of the charity as follows (full time equivalent basis):

	2023 No.	2022 No.
Raising funds	4.6	3.6
Management and administration	3.3	6.7
Retail	14.5	14.3
Support	16.4	13.3
Governance	0.5	0.5
	<u>39.3</u>	<u>38.4</u>

Notes to the financial statements

For the year ended 31 March 2023

9 Related party transactions

During the financial year ended 31 March 2023, KEMP House Trust (Hospice Shop) Ltd made sales of donated goods on behalf of the hospice to the value of £263,353 (2022: £180,822).

At 31 March 2023 KEMP House Trust (Hospice Shop) Ltd owed KEMP Hospice £779,685 (2022: £577,944).

KEMP Hospice received grants of £50,000 within the year in addition to the prior year amount of £435,099 (2022: £435,099) from KEMP House Trust, of which £226,099 (2022: £435,099) was outstanding at year end.

Aggregate donations from related parties were £745 (2022: £300).

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:

	2023 £	2022 £
UK corporation tax at 19%	-	-

11 Tangible fixed assets

The group	Leasehold buildings £	Leasehold property £	Motor vehicles £	Office equipment £	Furniture and equipment £	Total £
Cost						
At the start of the year	815,755	26,080	22,120	122,837	355,549	1,342,341
Additions in year	-	-	-	4,233	10,661	14,894
Disposals in year	-	-	-	(13,146)	(241,825)	(254,971)
At the end of the year	815,755	26,080	22,120	113,924	124,385	1,102,264
Depreciation						
At the start of the year	167,914	24,626	18,620	100,156	341,126	652,441
Charge for the year	21,144	1,454	875	11,704	8,736	43,913
Eliminated on disposal	-	-	-	(13,145)	(241,588)	(254,733)
At the end of the year	189,058	26,080	19,495	98,715	108,274	441,621
Net book value						
At the end of the year	626,697	-	2,625	15,209	16,111	660,643
At the start of the year	647,841	1,454	3,500	22,681	14,423	689,900

The Charity	Leasehold buildings £	Office equipment £	Furniture and equipment £	Total £
Cost				
At the start of the year	815,755	115,106	322,359	1,253,220
Additions in year	-	3,513	5,905	9,418
Disposals in year	-	(12,199)	(240,673)	(252,872)
Transferred into the Charity	-	1,419	1,998	3,417
At the end of the year	815,755	107,839	89,589	1,013,183
Depreciation				
At the start of the year	167,914	97,409	315,738	581,061
Charge for the year	21,144	10,014	5,596	36,754
Disposals	-	(12,199)	(240,435)	(252,634)
At the end of the year	189,058	95,224	80,899	365,181
Net book value				
At the end of the year	626,697	12,615	8,690	648,002
At the start of the year	647,841	17,697	6,621	672,159

The above assets are used for the Group and Charity.

Notes to the financial statements

For the year ended 31 March 2023

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.

In the prior year, the directors approved the decision to liquidate the company as the premises leases and trading activity would be transferred to charity. The movement of the premises leases between the companies has been delayed and although the directors still intend for this transfer to occur. In 2023, the salaries were paid by the Charity and recharged to the subsidiary as a management charge.

Phil Davison (appointed 19th October 2022) and Kate Collyer (appointed 13th July 2023) are also directors of the subsidiary.

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

	2023 £	2022 £
Turnover	474,370	513,560
Cost of sales	(2,348)	(3,053)
Gross profit	472,022	510,507
Administrative expenses	(252,993)	(551,031)
Management charge payable to parent undertaking	(195,780)	(11,245)
Other operating income	–	73,620
Loss on ordinary activities before interest and taxation	23,249	21,851
Interest receivable and similar income	8,524	271
Loss on ordinary activities before taxation	31,773	22,122
Taxation on profit on ordinary activities	(535)	(1,395)
Profit for the financial year	31,238	20,727
Retained earnings		
Total retained earnings brought forward	–	(56,636)
Adjustment to prior year estimate on distribution	–	44,000
Profit for the financial year	31,238	20,727
Distribution under Gift Aid to parent charity	–	(8,091)
Total retained earnings carried forward	31,238	–
The aggregate of the assets, liabilities and reserves was:		
Assets	856,173	624,794
Liabilities	(819,933)	(619,792)
Reserves	36,240	5,002

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

	2023 £	2022 £
Shares in group undertaking		
Cost at 1 April 2022 and 31 March 2023	5,002	5,002

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

Notes to the financial statements

For the year ended 31 March 2023

13 Parent charity

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

	2023 £	2022 £
Gross income	1,293,573	1,445,500
Result for the year	19,007	377,829

14 Stock

	The group 2023 £	2022 £	The charity 2023 £	2022 £
Bought goods	2,361	26	-	-
	2,361	26	-	-

15 Debtors

	The group 2023 £	2022 £	The charity 2023 £	2022 £
Trade debtors	91,683	22,431	91,683	22,431
Amounts due from subsidiary company	-	-	779,685	575,993
Amounts due from KEMP House Trust	257,693	465,187	256,998	465,117
VAT	111,755	99,980	-	27,252
Gift Aid	30,398	29,404	30,398	29,404
Prepayments and accrued income	71,597	138,833	60,660	95,282
	563,126	755,835	1,219,424	1,215,479

16 Creditors: amounts falling due within one year

	The group 2023 £	2022 £	The charity 2023 £	2022 £
Trade creditors	1,205	66,603	1,151	39,491
Taxation and social security	18,212	86,748	18,212	84,797
Pension Fund	4,676	5,366	4,676	5,366
VAT	74,615	-	74,615	-
Accruals and deferred income	50,359	41,865	34,601	27,128
	149,067	200,582	133,255	156,782

17 Provision for liabilities

	The group 2023 £	2022 £	The charity 2023 £	2022 £
Dilapidations	29,900	-	6,000	-
	29,900	-	6,000	-

The movement in dilapidations provision in the year was:

	The group 2023 £	2022 £	The charity 2023 £	2022 £
At the start of the year	6,000	-	-	-
Additions	23,900	-	6,000	-
At the end of the year	29,900	-	6,000	-

Within the provision for liabilities is the dilapidation provision for the cost of repairs to a number of leasehold properties at the end of their leases. This value is re-assessed annually. Given the timing of lease exit is uncertain, the value and timing of the resulting payments is also uncertain.

KEMP Hospice (formerly KEMP House Trust Limited)

Notes to the financial statements

For the year ended 31 March 2023

18a Analysis of group net assets between funds (current year)

	General unrestricted £	Restricted funds £	Designated funds £	Total funds £
Tangible fixed assets	102,011	558,632	–	660,643
Net current assets	1,602,445	8,968	416,067	2,027,480
Net assets at 31 March 2023	1,704,456	567,600	416,067	2,688,123

18b Analysis of group net assets between funds (prior year)

	General unrestricted £	Restricted funds £	Designated funds £	Total funds £
Tangible fixed assets	111,821	578,079	–	689,900
Net current assets	1,512,376	19,535	416,067	1,947,978
Net assets at 31 March 2022	1,624,197	597,614	416,067	2,637,878

19a Movements in funds (current year)

	At 1 April 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2023 £
Restricted funds:					
KEMP in the Garden Building – depreciation of annexe buildings	254,592	–	(15,912)	–	238,680
Freehold property at Mason Road	323,487	–	(3,535)	–	319,952
BBC Children in Need	5,935	7,230	(12,265)	–	900
The Kildare Trust	13,600	–	(5,532)	–	8,068
Eveson Trust	–	15,000	(15,000)	–	–
Total restricted funds	597,614	22,230	(52,244)	–	567,600
Unrestricted funds:					
Designated funds:					
Redesign and landscaping of garden	178,267	–	–	–	178,267
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	416,067	–	–	–	416,067
General funds	1,624,198	1,721,981	(1,641,722)	–	1,704,456
Total unrestricted funds	2,040,265	1,721,981	(1,641,722)	–	2,120,523
Total funds	2,637,878	1,744,211	(1,693,965)	–	2,688,123

Notes to the financial statements

For the year ended 31 March 2023

19a Movements in funds (current year) continued

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.

Details of Restricted funds

KEMP in the Garden Building and Freehold Property at Mason Road – depreciation charged on buildings used to deliver our services.

BBC Children in Need – A project to deliver bereavement support to children and young people.

The Kildare Trust – funding to improve the garden at Mason Road.

Eveson Trust – A grant to provide bereavement counselling for children and young people

Details of Designated Funds

Various improvement projects have been identified and approved by the Trustees. These remain under review taking into consideration the requirements for future services and facilities to meet the needs of our population for the next 10 – 20 years.

Redesign and landscaping of garden – improvements to our external environment at Mason Road.

Refurbishment of hospice patient focussed rooms and general areas – fund to support refurbishments of ground floor areas.

Hospice kitchen and equipment – the kitchen and equipment at Mason Road require refurbishment.

Wellbeing – a fund to deliver projects to support employee wellbeing.

Digital – to support upgrading IT infrastructure and the website.

Hospice roof and cellar – the building at Mason Road requires repair so that the cellar can be used for storage.

19b Movements in funds (prior year)

	At 1 April 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2022 £
Restricted funds:					
KEMP in the Garden Building – depreciation of annexe buildings	270,504	–	(15,912)	–	254,592
Freehold property at Mason Road	327,022	–	(3,535)	–	323,487
Hospice UK	–	61,320	(61,320)	–	–
BBC Children in Need – Childrens Bereavement	7,088	7,230	(8,383)	–	5,935
The Kildare Trust – Garden Project	–	15,000	(1,400)	–	13,600
Legacy	–	6,902	(6,902)	–	–
Francis Winham Foundation – helping the elderly in times of hardship and crisis	–	4,000	(4,000)	–	–
Total restricted funds	604,614	94,452	(101,452)	–	597,614
Unrestricted funds:					
Designated funds:					
Redesign and landscaping of garden	100,000	–	(1,733)	80,000	178,267
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	–	(1,733)	80,000	416,067
General funds	1,317,635	1,927,288	(1,540,725)	(80,000)	1,624,198
Total unrestricted funds	1,655,435	1,927,288	(1,542,458)	–	2,040,265
Total funds	2,260,049	2,021,740	(1,643,910)	–	2,637,878

Notes to the financial statements

For the year ended 31 March 2023

20 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 2023 £	2022 £	Equipment 2023 £	2022 £
Less than one year	78,042	66,875	1,574	857
One to five years	80,938	158,229	1,088	176
	158,980	225,104	2,662	1,033

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

	Property 2023 £	2022 £	Equipment 2023 £	2022 £
Less than one year	30,542	14,667	–	–
One to five years	68,750	98,458	–	–
	99,292	113,125	–	–

21 Capital commitments

At the balance sheet date, the group had no capital commitments (2022: £nil).

22 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.