

PILGRIMS HOSPICES IN EAST KENT

England & Wales · Charity number 293968

Details

Status	Registered
Legal form	Charitable company
Company number	02000560
Registered	1986-08-28
Register	View on the Charity Commission register

Contact

Address	56 London Road Canterbury Kent CT2 8JA
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Activities

Objects: TO PROMOTE THE RELIEF OF SICKNESS AND SUFFERING IN SUCH WAYS AS THE ASSOCIATION SHALL FROM TIME TO TIME THINK FIT. (FOR FULL DETAILS SEE CLAUSE 3 OF MEMORANDUM AND ARTICLES)

Activities: The charity runs three hospices providing specialist palliative care services to patients through inpatient and day care, clinics, support at home from teams of community nurses and a 24-hour helpline. Families receive social, pastoral and bereavement support from teams of professionals at all three hospices. An education centre provides training and education for professionals and the public.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Other Charitable Purposes
- **Who:** Other Defined Groups

Geography

- **Area of benefit:** EAST KENT
- Kent

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£18,946,000	£18,612,000	£33,387,000	379
2024-03-31	£18,090,000	£17,294,000	£33,137,000	366
2023-03-31	£16,740,000	£15,515,000	£31,450,000	343
2022-03-31	£20,388,000	£14,267,000	£30,538,000	349
2021-03-31	£13,724,000	£13,236,000	£23,828,000	276

Trustees

Name	Role	Appointed
Dr Peter Biggs		2022-09-29
Dr Ruth Wilson		2018-01-01
Elizabeth Jean SHARP		2016-05-25
Faye Hames		2024-10-03
James David Richards		2021-09-29
Karen Mitcalfe		2018-01-01
Kate Kochnari		2025-12-04
Paul Pugh		2026-06-25
Peter Godfrey Lepper		2024-04-16
Ruth Herron		2025-06-26
Susan Margaret Julie Oriel		2019-05-15

Accounts

Company number: 02000560

Charity number: 293968

Pilgrims Hospices in East Kent

Report and financial statements

For the year ended 31 March 2025

PILGRIMS HOSPICES IN EAST KENT
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 March 2025

Trustees	K Warden S Bates LLB. (Hons.) (retired 3 October 2024) Dr P Biggs F Hames (appointed 3 October 2024) R Herron (appointed 26 June 2025) P Lepper (appointed 16 April 2024) S Oriel MA (Cantab) S Perks J Richards E Sharp MB BS, FRCS T Stanyon (appointed 26 June 2025) Dr R Wilson

Company registered number	02000560

Charity registered number	293968

Registered office	56 London Road Canterbury Kent CT2 8JA

Independent auditor	Sayer Vincent LLP 110 Golden Lane London EC1Y 0TG

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CHAIR & CHIEF EXECUTIVE'S STATEMENT:

CHAIR & CHIEF EXECUTIVE'S STATEMENT 2024–2025

As we reflect on 2024–25, we are proud to report another year of meaningful progress at Pilgrims Hospices. This year has seen us focus on strengthening both our organisational and clinical strategy, reaffirming our commitment to providing high-quality, accessible hospice care across east Kent. Grounded in our values and guided by our revised three year 2024-27 Strategy and vision of “Compassionate Care for Every Patient, Every Family, Every Time”, we continue to drive innovation, collaboration, and excellence across our inpatient and community services.

Our strategic goals will continue to focus on:

- **Prioritising:** Focus on patient-centred care, early identification of needs, equitable access, grief support, and reducing hospital admissions.
- **Maximising:** Expand influence and reach through community education, advocacy, and stakeholder engagement to increase awareness and accessibility of hospice services.
- **Growing:** Ensure sustainable funding through diversified income streams, fundraising, and collaboration with statutory partners.
- **Driving:** Invest in staff and volunteers, promote innovation, and create a supportive work environment to deliver high-quality care.

We remain incredibly proud to lead such a dedicated and compassionate team. The continued strength of Pilgrims Hospices is thanks to the tireless commitment of our staff and volunteers, and the generous support of our local communities. Together, we are working towards ensuring that every person facing a life-limiting illness receives the expert, empathetic care they deserve — every patient, every family, every time.

Karen Warden
Chair of Trustees

Helen Bennett
Chief Executive Officer

STRATEGIC REPORT

OBJECTS AND ACTIVITIES (Facts and figures)

Pilgrims Hospices serves a population of approximately 750,000, providing adult palliative care services across east Kent. The charity employs over 370 people and is supported by over 1,150 volunteers. Pilgrims provides support through a number of services:

Inpatient Units

Pilgrims operates three inpatient units in Ashford, Canterbury and Thanet, providing specialist palliative care delivered by a multi-disciplinary team of clinicians. Pilgrims aspires to provide a homely, welcoming environment for patients where they will feel safe, comfortable and well cared for.

Community Services

Pilgrims' dedicated community teams provide specialist palliative care assessment and advice for patients in community settings, whether in their own home, care home, or through outpatient appointments on site, via telephone or virtually. Support is also available 24 hours per day, 365 days per year through a dedicated advice line.

Therapy & Wellbeing

A multi-disciplinary team including Wellbeing Practitioners, Physio and Occupational Therapists provides therapies and wellbeing support for patients through Pilgrims Therapy Centres, as well as through home visits, provision of gym services, and specialist assessment. Therapist input is intended to ensure patients have access to the support they need to enjoy the highest possible quality of life, living as well and as comfortably as possible.

Hospice at Home

Hospice at Home provides dedicated domiciliary care for patients in the last days and hours of life. The team provides up to three visits per day, administering personal care and supporting patients to remain in their preferred place of care until they die.

In the year ended March 2025:

Pilgrims received
2,899 referrals

4,403 patients
Used our services

Pilgrims delivered
6,434
Community Contacts

1.6 million
Donated items sold through
our shops

Psychosocial and Bereavement Care

Social Workers, Counsellors and Spiritual Care professionals work to provide holistic, person-centred care to patients and their families, addressing their psychosocial needs. Our team of bereavement support volunteers deliver a range of level 2 bereavement support groups to any adult across east Kent through the Stepping Stones Bereavement services.

Cost

In the year to March 2025 it cost £13.6 million to deliver these services.

Our Vision

At Pilgrims Hospices we have a simple Vision: “of a community where people with a terminal illness and their family and friends are supported and empowered to live well in mind and body until the very last moment of their life.”

Our Mission

Our ‘Mission’ is to make a difference in the lives of individuals in east Kent who are facing the last year of life. To do this we:

- Provide open, compassionate care and expertise for patients and their families; both in the community and in our inpatient units. We will continue this support for families through their bereavement.
- Inform, educate and enable patients and their families so they can make informed choices and participate in planning their own care.
- Form strategic partnerships throughout our community; sharing our research, knowledge and expertise to enable others to play their part in supporting families where and when they need it.

Our Values

To achieve our Vision, we have a shared set of values and behaviours that will enable us to be the people and the charity that patients and their loved ones need us to be. They form our ‘CODE’ which guides us in our daily work and decision making.

Compassionate -	We treat everyone with compassion and care.
Open -	We communicate openly, honestly and effectively.
Dynamic -	We are dynamic, improving and developing our services.
Empowered -	We empower people to achieve their outcomes.

On average, Pilgrims provided over
2,170 patient meals
per month

In excess of
11,000 Supporters
participated in events and campaigns in 2024-25

Pilgrims provided
1,073 Bereavement Care Sessions

Lottery entries achieved
21,111
per week on average

STRATEGIC PROGRESS & KEY ACHIEVEMENTS

2024-25 saw the review of Pilgrims Hospices' five-year Organisational Strategy. Since the development of the five-year strategy, there has been much change across the health and social care system and the hospice sector. Our strategy was reviewed for the period 2024-27 to take account of emerging themes and Pilgrims' required strategic response.

Our four pillars continue to underpin and guide the charity's long-term strategic ambitions and inform the setting of annual objectives.



Objective One: We will put the patient at the centre of all we do, delivering the care they need, where they need it.

As a charity, Pilgrims' first priority will always be patients and the organisation is dedicated to ensuring that service users, as well as their families, receive the highest standards of care and support.

In addition to our Friends and Family Test feedback, from which we continually receive outstanding responses, we collected direct service user feedback from the Views on Care forms which are given to patients or clients at the end of a period of care (part of the OACC Outcome measures). They judge the impact the care and support received has had on their quality of life. Data is already evidencing the positive impact that the care and interventions have on our patients. Any positive or negative feedback is reviewed and, if needed, action taken.

During 2024-25, we continued to develop our documentation and our reporting on outcomes. Outcome measures are already well reported in the inpatient units (IPUs) and understood across the organisation. The Community and Allied Health Professional (AHP) data is now being reported on and the data is reviewed and analysed at the monthly Outcome Champions Meeting.

We successfully engaged with GPs in the Marshes in the early identification of patients at risk of being in the last year of life, with good feedback and learning. As part of our clinical strategy we invested in the recruitment of a Think, Talk Act Clinical Programme Manager who commenced work in September 2024 and who has developed a two year action plan to robustly test the strategy and review potential sustainable funding models.

Investment in Stepping Stones has enabled the development and implementation of an effective team structure to support the ongoing growth and sustainability of bereavement services. A three year strategy has been developed to fully enable the transition of Stepping Stones from a stand-alone project to potentially be the main bereavement service provider in east Kent.

There has been a marked increase in the number of people attending Stepping Stones groups. We have embedded a robust framework for Stepping Stones volunteer training and have successfully onboarded 7 new volunteers during 2024-25 with a total of 27 active volunteers at year end.

Collaboration with Romney Marsh community hub occurred in the year, to enhance a bereavement support group that was already in existence. Working together, we have developed a new initiative called Stepping Forward, which is a peer-led group and a pilot has been launched.

Objective Two: We will use our influence to develop our services and maximise our reach as we implement new service initiatives.

Evidence demonstrates that earlier involvement with palliative care services improves quality of life and End of Life outcomes for patients. Earlier intervention is therefore a key priority for Pilgrims now and in the future. Central to this ambition is the Think, Talk, Act (TTA) programme which, in partnership with GPs, seeks to identify and engage the 1% of patients likely to die in the next 12 months.

This programme aims to:-

- enable and empower patients and their families to participate in creating their own plans for care whilst they are well enough to participate;
- increase the percentage of people identified as likely to be in their last year of life, so that end of life care can be improved by personalising it according to their needs and preferences;
- increase the percentage of people who have died having been offered the opportunity for personalised care and support planning;
- work alongside primary care colleagues to help identify and support relevant patients, we will introduce proactive and personalised care planning for everyone identified as being in their last year of life;
- extend the time we have with a family to establish deeper connection and provide more holistic care;
- change the perception people have of Pilgrims – to move away from being seen as a place to die to being seen as an enabler of living well in the final phase of life; and
- increase support for Pilgrims from a much broader cohort of our local community.

Thanet has been identified by the ICB as an area with a high number of GP surgeries that have not begun work on the early identification and a clear plan of engagement has been agreed with the TTA Clinical Programme Manager for 2025-26.

The hospice recognises the role we have to play in achieving Ambition 6 of the Ambitions

Framework - Every community is prepared to help, and we will use our knowledge, expertise and position to influence the creation of a compassionate community across east Kent, increasing death literacy and expanding and enhancing community based assets that contribute to supporting people in times of crisis, death and loss. To implement and co-ordinate the strategy there was investment in some back-fill to allow the Head of Psychosocial and Bereavement Services and the psychosocial teams to deliver this initiative. A three year strategy was developed.

Alongside the expansion of Stepping Stones Bereavement service, and part of Compassionate Communities, the development of bereavement help points within our charity shops has commenced. This year, 8 shops have engaged with 2 managers and 26 volunteers attending grief awareness training.

Compassionate Communities web page on the Pilgrims Hospices website has been launched including an online map providing an accessible directory of compassionate activities and services across east Kent.

Pilgrims is part of two formal collaboratives across Kent and Medway. The Kent and Medway (K&M) Hospice Education Collaborative has representatives from all hospices across the regions to jointly review education, both internally and externally. They liaise with the ICB and Health Education England to bid for funding to provide End of Life care education to local Health and Social Care providers.

The Kent and Medway Nursing and Care Directors Collaborative again has representatives from all hospices across the region. This forum allows for peer support, sharing of good practice and joint working alongside a robust voice for hospice care across Kent and Medway. Pilgrims' Director of Nursing and Care is the current chair.

Both of these formal collaboratives were Pilgrims initiatives.

To maintain and enhance the quality of patient care, it is imperative to invest in the professional development of the staff. To support the development and maintenance of advanced clinical competencies and compassionate care, a Band 6 Clinical Skills Facilitator has been appointed. This role has worked across the three hospice sites to ensure equity in training across the organisation delivering bespoke HCA and Band 5 face to face training.

'The Need To Do Something' group

This multi-organisational group continued to meet bi-monthly online with varying attendees. Over the last year, the main purpose of the group is now shifting towards the sharing of experiences, of both good and less good care, with the aim to explore root causes for the concerns raised. We are planning formal multi-organisational workshops across Kent, following the model of the Medical Examiner workshops. This workstream is being led by the ICB Education Team.

The End Of Life Charter has been reworded following feedback and is now with all lead organisations in east Kent for formal approval by the third quarter of 2025-26. As a result, the Medical Director is invited to speak at various meetings in primary care to share the Charter and the integrated work with the hospice.

Pilgrims Hospices is now also represented at the Clinical Quality and Governance Group of Kent that promotes the Charter.

Single Point of Access (SPoA) at Thanet and Ashford

These services aim to review all 999 calls with a holistic view and to offer multi-disciplinary support at home to avoid unnecessary attendances in casualty of QEQM and William Harvey hospitals. The services are now well established.

The hospice continues to place itself for true end of life care in last days of life (via Hospice at Home) and for rapid support in complex situations requiring specialist palliative care advice and support. We have not noticed a significant increase specifically from paramedics or the SPoA but continue to foster mutual relationships and accept direct referrals from professionals by phone.

Equality, Diversity and Inclusion (EDI)

Pilgrims Hospices is committed to addressing health inequalities affecting the delivery of its services and established the Equality, Diversity and Inclusion (EDI) group as a means to deliver this commitment. The purpose of the group is described later in this report. During 2023-24 the group oversaw the development of Advanced Care Planning for people with learning disabilities as part of a joint venture with the KCHFT Learning Disabilities Team.

A project was also started with the Nepalese community in 2023-4, which was continued in 2024-25, to provide support, Advanced Care Planning and end of life and bereavement care to the Nepalese community. Hospice materials have been produced in large print for service users with sight impairments. Our Therapy Centres continue to integrate celebration of inter-faith and support festivals, holidays and focussed weeks, for example, 'Time to Create' sessions have expanded to include multifaith focus, celebration of different festivals etc. We continued to increase our own knowledge and awareness of the needs of marginalised groups within our local communities – engaging with groups and services within the Nepalese community and through ongoing collaboration with Porchlight to address the end of life needs of the homeless population. The EDI group has developed a Service User diversity monitoring form, which was launched in April 2024. This form enables us to understand who we are caring for and highlights any healthcare inequalities for those accessing our services. Equality Impact Assessments are now embedded for use when developing new policies and practices to ensure that groups holding protected characteristics are not disadvantaged. New EDI training has been trialled and diversity content added to existing Clinical training programmes. EDI mandatory training currently sits at 94.8% compliance. In addition, the Training Manager completed an EDI train the trainer level 3 course, '*Inclusive leadership in healthcare*', '*Noticing and challenging microaggressions*', and '*Creating psychologically safe and inclusive workplaces*' through the NHS leadership academy.

Pilgrims representatives attended the Transgender Healthcare Conference 2023: Tackling Inequalities and Providing Support, in particular a session entitled 'Overcoming Barriers to High-Quality Trans Healthcare: The Latest Guidance and Updates'. This focussed on outlining and understanding the key factors that contribute to poor health outcomes for trans and gender-diverse patients. It included advice on improving the data collection and monitoring of gender identity to identify gaps in healthcare provision; detailing plans to improve waiting times and the service experienced for transgender patients and measuring the impact of service improvements to understand successes and failures.

Throughout 2024-25 we have continued to develop and promote a fully inclusive spiritual care service across the organisation, recognising the diversity of spiritual needs of our patients, families, staff and volunteers from all faiths and no-faith backgrounds. We have introduced a range of multi-faith and other resources in each Sanctuary space, raised staff awareness through multi-faith week celebrations, and strengthened links with community based faith leaders across east Kent.

Objective Three: We will ensure clinical and financial stability through the achievement of a break-even position and by securing consistent and equitable statutory funding as well as identifying new ways to maximise commercial revenue.

During 24-25 we continued to build on the good progress made in the previous year in working with the Kent and Medway Integrated Care Board (ICB) to understand the funding required by Kent and Medway Hospices to maintain and deliver services to their local communities. As in the previous year, this resulted in small uplifts to our base grant and some additional funding for specific projects to further develop Palliative and End of Life Care Services. Pilgrims also continued to invest in the development of its estate to ensure maximum value is realised from its existing assets. This estate

work is described later in this section.

Sustaining Voluntary Income:

As always, we are grateful for the support of our local community who have responded generously to our campaigns and appeals, who take part in our events, lottery activities, support us by purchasing items through our shops and donating pre-loved items of clothing and furniture. We are also grateful to the companies and trusts who support us and we would also like to thank everyone who leaves us a gift in their will. Without the generosity of our community we wouldn't be able to run our services.

Retail – At the end of the 2024-25 financial year, Retail achieved an income of £5.48 million, (including trading company income), against a budget of £5.774 million. Income did not meet target because of a decline in rag rates and because we were not able to secure a new site to replace income of £180k which resulted from the closure of one of our shops, due to the landlord wishing to utilise the space for their own purposes.

Individual Giving – Individual giving activities, including face-to-face In Memory events and campaigns generated £1.3 million which was £120k greater than their original budget of £1.1 million. Our *Always Caring* programme, now in its third year, has generated £120k over the year from over 600 members. During the year, we received no sizeable donations.

Lottery – The Lottery is a consistent and sustainable source of income for Pilgrims Hospices. During 2024-25 the lottery has performed well across the year, generating £6k above its original budget of £1,216k. The Christmas Superdraw performed exceptionally well, generating an income of £75k which is its strongest performance for a decade.

Legacies – Legacy income has performed better than expected, and has generated £3.5 million. During the year the team continued to streamline our legacy administration processes and define key performance indicators to allow us to monitor income more accurately in future years.

Fundraising

Pilgrims Hospices Fundraising comprises several teams: Community Fundraising, Events Fundraising and Corporate & Trusts Partnerships.

In 2024-25 the teams have performed exceptionally well, despite the current financial challenges and have raised £1.3 million, which is £175k over budget. Some of the highlights include:

Community Fundraising – The three teams based at each hospice site have made significant efforts to build relationships with and to engage with, the east Kent community, leading to an impressive year-end outcome. Community fundraising activities, including those organised by local groups, in-aid-of, on behalf-of and community-led events like the Ashford Fairs, the Thanet 5K Colour Run, and Santas on the Run!, all exceeded their set targets. Additionally, the Christmas Tree Recycling campaign saw continued growth in its fourth year, raising over £78k and recycling more than 4,200 trees, thanks to the hard work of dedicated volunteers and fundraising teams. This represents a 30% increase from the previous year.

Events Fundraising – The events programme had its most successful year to date in terms of both revenue and participant numbers. The hospices' flagship events, the Cycle Challenge and the Pilgrims Way Challenge, together raised over £270k, surpassing the previous year's totals. The Pilgrims Cycle Challenge had its best fundraising year since it began, generating more than £10k above its previous highest earnings in 2014. In addition, other challenge events, including the London Marathon, achieved their most successful fundraising years to date.

Corporate & Trusts Partnerships – The second year of the newly formed Corporate & Trusts

team saw continued growth, after a solid foundation was established in the previous year. Corporate and local business fundraising flourished, with numerous new business partnerships formed. A highlight was the corporate Golf Day, which achieved its most successful year, both in terms of attendance and funds raised. Furthermore, after a challenging year in the Trusts sector, due to industry-wide changes, Trusts fundraising met its financial goals, funding several inspiring projects that were successfully implemented within the hospice settings.

Securing Additional Statutory Funding:

Pilgrims Hospices secured a small but significant increase in statutory funding from the Kent & Medway Integrated Care Board (K&M ICB). This was achieved through joint negotiations with other hospices in the region.

The increase played a key role in supporting the charity to achieve financial breakeven during a challenging economic period and despite economic pressures, the organisation maintained financial stability.

Our strategic efforts were focused on balancing quality service delivery with fiscal responsibility, ensuring sustainability for the future.

Estates Development:

Pilgrims Hospices has a significant freehold estate, which encompasses a number of retail units arranged over multiple floors. In order to ensure Pilgrims realises the maximum value of its assets, work has been undertaken to identify excess space within the estate and to explore value-generative options to develop these areas.

During 2023-24, we started planning work on a project to convert space above the charity's Broadstairs shop into two residential units. Whilst this project has been delayed by factors outside of our control, it is anticipated that this development work will be completed during 2025-26.

During 2024-25 The Board agreed an updated Estates Strategy that will see the continued development of the hospice estate over the next three years.

Objective Four: We will implement new ways of working across clinical and non-clinical services and day to day operations, both internally and externally.

A new Clinical Workforce Strategy with focus on multi-disciplinary senior leadership was developed in 2024, approved and is currently being implemented.

We are strengthening the middle grade medical workforce as well as upskilling the nurses , especially in the community, offering a clearly defined career progression for all colleagues.

- Positive recruitment throughout 2024-25 has led to a near complete number of doctors (just under 3 posts on each site), one of which is expected to become a Specialist doctor (working at consultant level) within the next 4-5 years.
- All 9 Advanced Clinical Practitioners posts have been filled.
- The community review has led to recruitment into 9 Clinical Nurse Specialist posts (three on each site) and 9 palliative Specialist nurses, some of those have joined /will join the Community workforce from other employers.

A locum medical Specialist doctor (working at consultant level) has decided to stay and is expected to become the lead doctor at our Thanet hospice from May 2025, thus having a nominated Medical Consultant on each site.

However, we still require a medical Consultant for the Ashford hospice to release the Medical

Director from clinical work. Pending retirement in the next 1-3 years of two medical consultants necessitates pro-active recruitment of further medical senior colleagues.

We still have only one of three Nurse Consultant posts filled and are now aiming to advertise for two Associate Nurse Consultants. These colleagues should have either the necessary managerial skills but lack palliative care expertise or vice versa. A panel is now defining capacity to train and empower so that we offer the posts to colleagues whose training needs we can meet internally.

The Hospice at Home services are now based at the Canterbury hospice to allow easy travelling to any place in our catchment area and work now fully integration as part of Community Services.

Electronic prescribing and administration in the three inpatient units:

The use of electronic systems to prescribe and administer medications in the hospice inpatient units is now well established. No significant incidents have been noted by hospice employed prescribers or staff nurses, due to the safety features of Ashton's e-Works. Thanks to a changing culture that promotes learning and no blame, we see more drug related incidents reported and investigated. This frequently includes a reflection on the incident by the relevant colleague and sharing of learning outcomes at team meetings.

Most hospice employed prescribers are now equipped with the necessary smart cards to allow prompt prescribing for community patients, similar to a GP. This is particularly useful for patients whose symptom needs are complex and updated or new care plans are urgently needed (unstable Phase of Illness)

The hospice pharmacist reports quarterly to the medical prescribers to alert any unusually high usage or expensive medications to allow the development of alternative prescribing options.

Further development of clinical reporting

During 2024-25, the Outcome Measure (formerly OACC) Champions have gained more confidence and expertise to critically reflect on the data and reports.

The KPIs for the IPU outcomes have not been changed but we have explored various ways how to report on those, making use of patient and colleague feedback.

We have spent significant time and effort to improve recording and reporting for community outcomes, simplifying our Terms of Reference rather than complicating them. We are now able to define complexity at first assessment for community patients but continue to struggle with true outcome measures. In part this is due to lack of data collection when a clinical situation changes. The group decided to start reporting on outcomes for community patients once we achieved data collection in 60% of our patients. At present, the trend is increasing but we are still below 50%.

Wellbeing services are not recording data as per our Terms of Reference and reports on concerns at first encounter in the therapy centres and comparison with issues at the end of their group work or attendance still falls short of a minimum standard to allow formal reports.

These much needed outcome reports will be the focus for the group in 2025-26.

The Outcome measures group of champions also manages clinical exception reports that are shared at the monthly hospice-wide clinical meeting of the clinical leadership group. In particular, they focus on the place of death and why the preferred place of death was not achieved and other clinical KPIs, such as how long it took to implement adequate and effective care plans, both in the inpatient unit and the community.

One example of a successful root cause analysis is that hospice prescribers have started to issue new prescriptions more pro-actively for community patients, to avoid delays at their GP surgeries.

Volunteering:

Volunteers represent a significant segment of Pilgrims' workforce, providing support across all areas of the charity's operations. Volunteer roles are varied, from shop volunteers, to receptionists, to volunteers providing support directly to patients and families.

With a new Volunteering Coordinator inducted in the year, we have distributed long service awards to our volunteer workforce, recognising the extraordinary contributions they have made to supporting our services. Regular volunteer forums are held on our three main sites, to provide further opportunities for volunteers to be heard and to help shape the services we offer.

Workforce Engagement

A number of mechanisms are in place to engage with staff and volunteers, including an annual Staff and Volunteer Survey carried out in June 2024, operated by Birdsong Charity Consulting. This survey asks staff and volunteers about their views on a range of topics, provides a comparison with the wider hospice sector, and also provides an overview of how "engaged" respondents are compared to the national average. The results of this survey are summarised and shared with the Board of Trustees and wider organisation.

Pilgrims has a Local Management Team (LMT) in place at each hospice, which considers Claims, Concerns and Issues for their site, and which are in turn escalated to the Senior and Executive Management Teams. LMTs are also the primary method of cascading information across the organisation.

Following delivery of the 2024 survey, LMTs have taken responsibility for discussing the feedback with their local teams and proposing changes to our local workplaces. Key areas of focus highlighted in the survey include communications across sites and teams bringing consistency to local inductions, and providing timely support to each other during periods of high demand for our services. A further focus this year has been on local teams developing activities and space to support the health and wellbeing of their workforce. The charity has effective policies and procedures for raising and escalating concerns, including the Grievance and Whistleblowing policies.

The Board of Trustees is assured and updated regarding workforce engagement and terms and conditions of employment developments via Board Reports prepared by the organisation's Executive Management Team. Trustees are represented on various committees which oversee aspects of engagement activity, including:

- The Remuneration & Workforce Committee, which considers pay, benefits and employee health & wellbeing and all policy development relating to both our paid and volunteer workforce.
- The Central Health & Safety Committee which is responsible for ensuring that working environments are safe and appropriate for staff and volunteers.
- The Clinical Quality and Governance Committee which ensures staff have the support needed to work safely and effectively.
- The Information Governance Group which ensures staff and volunteer data is protected and used appropriately.
- The Education & Training Group which ensures staff and volunteers have the necessary training and development to fulfil their potential.

"Board Walks", where Trustees and EMT members tour Pilgrims facilities and speak with staff and volunteers have continued throughout the year, providing accessibility and visibility of the senior leadership team to the wider workforce.

The "Coffee and Cake" initiative, where staff and volunteers can meet with the Chief Executive and Chair of Trustees in an informal environment, has also continued, with slight changes to its format following feedback from staff and volunteers, to make the sessions more accessible.

Our Board Walks and Coffee and Cake initiatives with the Chair and CEO give Trustees and senior leaders an opportunity to meet a wide range of staff and volunteers, to discuss matters raised at Board Sub-Committees and the Board of Trustees' meeting and see the reality of the day to day operations on all of our sites.

In 2024-25 Pilgrims Hospices mainstreamed Equality, Diversity and Inclusion (EDI) into our existing governance structure, to ensure EDI considerations and decisions are made by those holding the relevant accountabilities (i.e. the Clinical Quality and Governance Committee will consider how our clinical services remain inclusive and accessible, the Remuneration Committee will consider EDI initiatives impacting the Workforce).

We maintained completion of our statutory and mandatory EDI training with completion of modules of over 95%. Equality Impact Assessments (EIA's) are now completed for all policy updates and new policies and actions are taken and recorded on the EIA's to remove barriers and improve inclusion. Updates to recruitment procedures were implemented to remove barriers and support candidates to participate fully in the process.

Improvements were made to terms and conditions of employment relating to Maternity, Paternity and Adoption Pay, to support parents in the workplace.

Furthermore, we have ensured EDI is considered in each employee's end of year appraisal, which asks them to outline their EDI activities in the coming financial year.

Our gender pay reports are published in line with the Equality Act 2010, and can be viewed on our website at: <https://www.pilgrimshospices.org/about-us/work-with-us/>.

Human Resources Information System ('HRIS') and Payroll Bureau

Due to the increasing cost and limited functionality of the previous HRIS, which had become a legacy product (no longer actively supported), the HR team managed a competitive procurement process to identify and select a new products. "Ciphr" was selected.

Human Resources team restructure

The HR team have taken advantage of turnover within the function this year and have redesigned the team's shape, recruiting different skills sets to meet the needs of the business. An increase in part-time roles has seen an increase in the quality of candidates applying to join the team and we have now recruited a dedicated support role and payroll specialist role, freeing up the HR specialist to focus on higher-level tasks.

Recruitment Development

Further improvement has been made to the recruitment process, with "at a glance" screen summaries added to the HRIS to aid with monitoring CQC compliance. DBS checks are now managed through a third-party supplier on-line and this has removed the need to post forms and ID documents, reducing delays in DBS checks being returned.

Community Nursing Restructure

In support of our clinical strategy, we have consulted with and restructured our Community Nursing teams. A new management structure is in place and newly created Clinical Nurse Specialist and Clinical Nurse Specialist in-training roles have been created and filled from existing members of the community nursing teams. This new structure will provide a more streamlined service to our community patients and will reduce the work load on our prescribing doctors.

FUTURE PLANS AND OBJECTIVES – Strategic Focus for 2025-26

As we move into the second year of our 2024–2027 Strategy, Pilgrims Hospices remains focused on delivering exceptional care to people across east Kent who are facing life-limiting illness. In 2025-26, our work will be shaped by four key priorities:

1. Putting Patients and Families First

We are expanding our community-based services to reach more people earlier, including those facing inequalities in access to end-of-life care.

We will develop new services and support pathways for carers, children and young people, and families experiencing bereavement.

We will continue investing in our care environments — including plans to modernise our Canterbury site and improve our facilities in Ashford and Thanet.

We are improving how we measure and share the positive outcomes of our care — to support transparency and secure future funding.

2. Engaging and Informing Our Communities

We are launching a new website and engagement strategy to ensure people understand who we are, what we do, and how to access our care.

We will continue raising awareness of hospice care locally and nationally, working with MPs and health leaders to influence policy.

Our 'This is Hospice Care' campaign will reach over 200,000 people to spark important conversations around death, dying, and support.

3. Securing Our Future Through Strong Finances

We are working to secure an uplift in NHS funding with a revised 2025-26 grant agreement, and we will continue growing income through our shops, fundraising, and events.

Every penny will be used carefully, with strict monitoring to make sure we meet our budget goals and support long-term hospice sustainability.

4. Supporting and Growing Our Workforce

We will recruit and retain skilled staff and volunteers to meet growing demand and continue delivering excellent care.

We are investing in wellbeing, learning, and leadership to ensure our teams feel supported and empowered in their roles.

Together with our supporters, staff, volunteers, and local communities, Pilgrims Hospices is proud to lead the way in compassionate care — every patient, every family, every time.

Further development of our Clinical Strategy

To support the implementation of our Clinical Strategy a business case was presented and approved by the Clinical Strategy Development Committee, Finance Committee and Board of Trustees for implementation in 2024-25. The commentary under each of the Objectives records the progress made in 2024-25 in implementing the strategy. Described below is the work we are planning for 2025-26 and beyond.

During 2025-26 we will deliver and evaluate the Think, Talk Act (TTA) programme with a group of GP practices and develop a funding model for consideration by Primary care stakeholders and the Kent & Medway ICB. We will work collaboratively and have a clear understanding of the priorities of clinical stakeholders across east Kent and the ICB to achieve better co-ordination of care for people living with frailty at end of life.

We will engage with stakeholders and produce a clear strategy for expanding our offering of psychosocial & bereavement services to children and young people. In addition we will include

engagement with children and young people through local educational establishments regarding death and bereavement. It is anticipated that we will implement bereavement help points into 50% of our shops over the coming year.

We plan to engage with patients, families and our community partners to maximise and influence our reach. In addition to being able to self-refer to our Therapy Centres, we will expand this to full service referrals.

We will look at current practice and implement changes to support people with learning disabilities/neurodivergence to more easily access Pilgrims services and bolster support for Pilgrims staff delivering services to this group.

We will further develop outcome reporting for our Community and Allied Health Professional services and use this data to support our case for an increase in statutory funding and a sustainable hospice funding model.

We will continue with the recruitment into medical and Nurse Consultant posts whilst developing the specialist clinical workforce to ensure we have a sustainable model going forward, including succession planning.

We plan to continue to expand our expert volunteer roles to maximise the services that we offer in a sustainable way, these include community facing volunteers.

We enter 2025-26 being the lead provider for Sage and Thyme, Enhanced and Advanced Communication Skills training and plan to deliver specialist training across east Kent as a means of developing our colleagues in Health and Social Care. This financial year we plan to increase our income through our education offer.

Statutory Funding

A key objective for Pilgrims remains obtaining equitable, sustainable, statutory funding from the Kent & Medway Integrated Care Board.

Good progress towards achieving this was made in 2024-25 with the Integrated Care Board (ICB), who have acknowledged the need for a sustainable funding solution, and have committed to working with the east Kent hospices to devise an appropriate funding model. However, the ICB continues to experience significant financial challenges in funding the many health care providers across east Kent.

Work is expected to continue throughout 2025-26, with a view to a revised grant agreement being put in place early in the financial year.

Bed Appeal

In February 2024, we launched a £166k bed appeal to replace all 36 beds across all three of our hospice sites. The appeal was planned to run until Christmas 2024 and we are pleased to report that we reached our target by September 2024, and exceeded it by £11k. We would like to thank members of the community, local companies and Trusts who supported us.

Estates Strategy

During 2024-25 the Board of Trustees agreed a new Estates Strategy that will be delivered over the next three years.

Pilgrims has a varied, complex, disparate estate with a range of differing needs, depending on size, location and usage. Our estate footprint is comprised of a mix of freehold and leasehold premises.

The aim of the Estates Strategy is to create environments across our buildings, estate and facilities that are safe, well maintained and fit for the future to enable the delivery of outstanding person-centred care, an exceptional shopping experience and investment properties that realise the maximum income possible for the charity.

The Board agreed to a number of projects across the estate, that will be completed over the next three years to realise these aims. The work proposed in the new Estates Strategy is planned to be cost neutral as funding for this expenditure will be covered from the targeted sale of certain of the investment properties.

Canterbury Hospice Future

During 2020-25, after much discussion and careful consideration, the Board of Trustees made the decision to undertake a substantial modernisation of our premises in London Road, Canterbury. A few years ago, the Trustees agreed in principle to move from London Road to a brand new hospice building on the outskirts of the city at Thanington, built on a plot of land that was to be donated to us by a local developer and long term supporter of the hospice, The Tory Family Foundation. That would have enabled us to move out of London Road and sell the site. On that basis we've been putting off the major refurbishments that London Road otherwise requires. Unfortunately, progress on the new development proved to be a lot slower than originally anticipated due to a number of external factors and is currently stalled. The Trustees did not feel that we could continue with that direction of travel when there was no clear timescale about when it could be delivered.

The Board of Trustees has decided instead that we should stay at London Road and undertake a substantial modernisation of our buildings there. We believe that there are a number of positives about this decision. Most importantly it means we will stay in the heart of Canterbury at the place we've called home for over 40 years and which means so much to so many people in east Kent. It also means that we will have control of the project and we can start work on designing new facilities quickly. However, we know that this design and planning application work will take time and it is anticipated that the majority of the works will not start on site for at least two years.

Canterbury Modernisation – Capital Appeal

In support of the Canterbury modernisation, Pilgrims Hospices' Income Generation Team will be undertaking a capital appeal to raise in excess of £3 million to partly fund the modernisation project. When the capital appeal is launched, it is expected that it will run for a period of 3 years.

Thanet Hospice Refurbishment

Prior to the pandemic, Pilgrims was planning a large-scale refurbishment of our Thanet hospice. This project was put on hold due to the pandemic.

In the medium-term, the refurbishment work is still important, as the building is over 30 years old and has the layout and features of a typical NHS facility. The demand for Pilgrims' services is continuing to grow and the type of care required has continued to change. Learning has also been taken from the COVID-19 pandemic, which has resulted in radical changes in operational best practice, and which will be incorporated into a refurbishment.

Recognising that a full refurbishment may still be some way off, the charity has committed funds in the short term to improve the environment for patients, carers, visitors, staff and volunteers.

Work has been ongoing over the last three years that has transformed many patient and visitor spaces within the hospice. In the last year the projects completed were:

- The renovation of two further patient rooms and shower rooms and a patient bay to make the environment feel more homely and modern.
- The renovation of our Therapy Centre making it more welcoming and comfortable as well as giving users direct access to the garden area.

The work completed so far is already making a significant difference to the patient and visitor experience on the site and these improvement works will continue through 2025-26.

Ashford Land Acquisition

During 2024 a four acre plot of land adjacent to our Ashford hospice site was put up for sale. The landowner made us aware that rights of access to this plot of land was through the hospice's car park.

Given that there would be a risk of some service disruption to the running of our day to day hospice services, if access to the land was from our car park, the Board of Trustees decided to make an offer on the land as a defensive measure, thus protecting the right of way to the land and preventing any further development by a prospective developer. After completing a full assessment and valuation of the land an offer was accepted by the land owner and the sale has now been completed.

The hospice has no current plans to develop this land, however, it does hold the potential to expand our current hospice grounds to include a wellbeing space for both patients and their families.

STRUCTURE & GOVERNANCE

Pilgrims Hospices is governed by a Board of Trustees numbering not less than five and not more than eighteen. As at 31 March 2025 there were nine trustees, following the appointment of Peter Lepper in April 2024 and Faye Hames in October 2024, as well as the retirement of Stephanie Bates also in October 2024. The Board of Trustees governs in accordance with the Articles of Association and Trustees bring relevant experience and skill sets from a variety of sectors, as determined by a regular skills audit, from which recruitment is driven. Over the period of this report, the sectors include, for example, clinical, business, project management and workforce management experience.

New Trustees are appointed initially by the Board following a formal process which includes interviews by the Nominations and Governance Committee and by the Chair leading to a recommendation by the sub-committee to the full Board. Applicants are sought from publicly advertised vacancies. Successful applicants are subject to election by the Members at the next Board Meeting following their appointment. Procedures are in place and regularly reviewed for Trustee induction and development. Trustees are required to complete mandatory training and a full induction to the charity is given to new trustees on and shortly following their appointment.

Trustees are appointed for an initial three-year term and may be re-appointed for two further three-year terms. A Trustee who has served for nine years can only be re-elected by unanimous resolution of the members and for a term not exceeding two years.

The Board normally meets four times a year to review strategy and performance and is supported in its work by a number of trustee-led sub-committees.

The Board recognises that good governance is essential for the success of the charity and has

made good progress in developing its governance policies and practices in line with the principles set out in the Charity Governance Code for larger charities. The Nominations and Governance Committee continues to review progress with the full implementation of the Code through an action plan developed from the diagnostic tool made available from the Charity Commission.

Committees

Board committees have delegated powers of responsibility but executive authority is retained by the Board. They are chaired by a Trustee, have written terms of reference and provide linkage to the main Board and support to senior management. Trustees are selected as committee members having regard to their skills, knowledge and expertise and committees may include appropriately qualified individuals (thinking partners), who are not trustees, co-opted from outside the charity. Members of the Executive Management Team also attend committee meetings relevant to their professional area of expertise. Each Committee reports to the Board on any major issues discussed, with recommendations where decisions are required. Minutes of Committee meetings are circulated to the Board as a whole and each Committee identifies areas for consideration by other committees thus ensuring no Committee works in isolation.

The Finance Committee oversees the finances of the charity and its subsidiary company. It is responsible for reviewing and recommending to the Board the financial strategy along with the annual budget and monitors performance against these. The Committee also oversees the strategy for investing funds and keeps the Board informed of relevant general changes in the financial environment. It reviews risk plans and corporate risks relating to finance, investment and audit.

The Income Generation Committee supports all fundraising activities of the charity, as well as communicating the hospices' vision, mission, and services to patients, carers, healthcare professionals and the public. It reviews the fundraising plans and retail strategies before referring them to the Board for approval, as well as monitoring risks relating to Pilgrims' income generating activities.

The Clinical Quality and Governance Committee provides oversight and assurance to the Board of Trustees that the clinical compliance and regulatory standards in our contracts with the ICB and Care Quality Commission are met. It ensures that the Clinical and Nursing and Care Services delivered by Pilgrims Hospices are subject to continual and regular review and improvement, and that the safety and care of the patients is a priority for all staff. The Committee monitors and reviews matters of escalated clinical governance and quality assurance activity and processes. It explores learning outcomes and opportunities and ensures adequate assurance on the implementation of key control and action plans in response to trends and anomalies in data reporting. The Committee reports directly to the Board of Trustees on matters as appropriate.

The Major Projects Committee considers the current and future real estate requirements of Pilgrims Hospices and progresses the proposed projects in line with the strategy and budget approved by the Board of Trustees. The Committee considers the current and future operational needs of Pilgrims Hospices and how these needs could best be addressed.

The Remuneration and Workforce Committee reviews terms and conditions of employment, sets overall remuneration policy and oversees the development of workforce strategy. The Committee recommends annual pay awards to the Board of Trustees as well as monitoring risks relating to Pilgrims' workforce, recruitment and retention.

The Nominations and Governance Committee considers the corporate governance of the hospice. It reports to the Board of Trustees on any changes that may need to be made in order to comply with legal and regulatory requirements. It reviews the Board's skills mix and capabilities and makes recommendations on nominations for new membership to underpin the Board's capability and diversity and to provide robust governance and directorship of the hospice.

The Clinical Service Development Committee considers the development of clinical service

proposals and service redesigns in line with the charity's agreed clinical strategy. The Committee ensures that any service development takes place in line with Pilgrims' charitable objectives and is sustainable from both a financial and service perspective. The Committee considers the needs of all stakeholders when developing service proposals and monitors risks relating to both service development and the wider Health and Social Care environment.

The Chief Executive and the Executive Management Team have delegated authority to manage the charity's operations on a day to day basis, within the annual budget approved by the Board of Trustees. They have the specific skills and experience to enable them to fulfil their roles and report progress on this at the quarterly Board meetings and through financial reports to the trustees.

In addition, the Executive Management Team meet formally quarterly to review all activity and adherence to the overall business plan. The output of these meetings and discussion points are disseminated throughout the business at regular management meetings. There is a flow of communication throughout the organisation which is cross functional and cross site with local issues managed at Local Management Team meetings. Issues can be escalated to the Executive Management Team and, where relevant, to the Board of Trustees. In addition, there are regular functional specific meetings with reviews of critical activity. This, together with additional weekly operational meetings, ensures that there is a robust management of the day to day running of the hospices.

Remuneration

The remuneration of key personnel is reviewed on an annual basis by the Remuneration and Workforce Committee, as part of its review of salary levels across the charity. This review ensures that remuneration is competitive within the charity and healthcare sector. The Committee considers a range of factors including increases in the national cost of living and the position of comparable organisations and wider healthcare and charity sector, as well as the current financial position of Pilgrims Hospices and the affordability of any increase. Every three years Pilgrims Hospices undertakes a full review of the duties, responsibilities, level of expertise and salaries of all posts across the charity. This information is compared with the lower quartile to median salaries of comparable posts for organisations with a similar overall income in the Third sector.

2024-25 was a volatile year for the remuneration of clinical professionals in the public sector. Pilgrims Hospices remained agile and considered each change to pay as it arose, to ensure that we remain competitive and attractive to clinical talent.

A "trivial benefit" in the form of a gift voucher was awarded to all staff before the Christmas holiday period and was received very favourably again, with staff feeling valued and motivated by the gesture.

Trustee Responsibilities

The Trustees (who are also Directors of Pilgrims Hospices in East Kent for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the group 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 charity and the group and of the incoming resources and application of resources, including the net income or expenditure of the group for the year. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities Statement of Recommended Practice
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements

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- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity and the group will continue in operation.

The Trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and the group and which enable them to ensure that the financial statements comply with the Companies Act 2006.

Fundraising practices

The Charities (Protection and Social Investment) Act 2016 requires Pilgrims to provide extra information in its annual report about its fundraising activities. In particular, any agreements with professional fundraisers or commercial participators as well as providing information on compliance with voluntary fundraising regulations.

We are committed to following the highest ethical standards and ensuring a quality supporter experience. We have detailed policies and procedures in place that align with fundraising practices and guidance that are set by the Charity Commission, Fundraising Regulator and Gambling Commission.

This helps ensure all Pilgrims fundraisers, and those who work on our behalf are aware of, and adhere to, our high standards. Some of our fundraising activity is conducted on our behalf, by carefully selected professional fundraising agencies. We occasionally work with agencies to telephone existing supporters to talk about their donation and, on some occasions, to ask for a further donation. We monitor their work through call listening.

The charity is also mindful of the General Data Protection Regulation (GDPR) and has a Privacy Policy and a named Data Protection Lead. Pilgrims uses a Customer Relationship Management (CRM) system to record all donations to ensure appropriate levels of communication are maintained. Fundraising activities are monitored by a team of managers, the Director of Income Generation and Marketing, the Chief Executive Officer, the Income Generation Committee and the Board of Trustees.

During the year there were no incidences of non-compliance with fundraising and voluntary regulations set by the Fundraising Regulator. Pilgrims Hospices Complaints Register recorded 18 complaints from the general public, in relation to its income generation activities, all complaints were resolved satisfactorily.

Business relationships with suppliers

Having good business relationships helps to ensure the smooth running of the charity and Pilgrims is committed to establishing fair working practices with all suppliers, whilst delivering best value for the beneficiaries of the charity. The charity regularly reviews contracts with key suppliers and their performance in delivering the purchased goods and services. Payment terms are agreed with all business partners and where appropriate Service Level Agreements (SLA) are used. Pilgrims' Retail staff and volunteers are provided with training in customer service, handling complaints, and how to deal with difficult situations to assist them in providing the best service possible to customers. Refunds are provided for all goods returned within 14 days in the same condition as when sold, no matter what the reason for return. The charity recognises that sometimes things go wrong and Pilgrims Hospices has established a Complaints Policy for use by any individual about any aspects of the charity's services or work (for example staff, volunteers, patients, carers or members of the public). The policy is governed by a process which ensures all complaints are reviewed and addressed appropriately which is also published on the Pilgrims Hospices website.

ENVIRONMENT

Pilgrims Hospices recognises that the protection of the natural environment and establishing an environmentally sustainable model of operation is essential to the long-term welfare of the charity's beneficiaries and the wider community. Pilgrims is committed to minimising its impact on the environment, including through reducing energy consumption, maximising opportunities for recycling and making sustainable procurement decisions.

In addition to environmental benefits, increasingly sustainability provides direct and indirect financial benefits, primarily through reduced costs, but also through an increased and positive reputation.

In 2022-23 we introduced our first Environmental & Sustainability Strategy to support our policy.

The three main pillars of the strategy are:-

- Energy & Water Management
- Waste Management
- Travel Management

These pillars are supported by two key foundations – the culture of our staff and volunteers and the investment that may be required to deliver the strategy.

Energy

Pilgrims uses energy in the form of gas, electricity and fuel for vehicles. Much of the charity's energy consumption relates directly to activity, and therefore overall levels of energy use have historically trended up as the overall level of activity the organisation undertakes has increased. However, the charity is working to mitigate the impact of increased activity through investments in energy efficiency such as sustainable energy projects, LED lighting and insulation, flushing of heating systems and improvements to the windows in our older buildings, as well as encouraging the adoption of energy-conscious behaviours, and these approaches can be directly linked to the reduction in gas and electricity usage in 2024-25.

Audit

During 2024 we finalised and submitted our Phase Three of the Energy Saving Opportunity Scheme (ESOS) report and action plan. ESOS is an ongoing piece of UK legislation which was designed to help the UK lower its carbon emissions and comply with European legislation passed in 2010.

A number of opportunities have been identified to improve our energy efficiency and these will be prioritised and actions taken to address these in the coming months and years as part of our Estates Strategy.

Reducing Waste

Pilgrims Hospices has comprehensive waste management contracts which ensure that the charity can maximise the volume of waste material which can be recycled, limiting material that ends up in landfill or incineration.

In addition to general waste management, specific recycling programmes have been put in place for both metal and used cooking oil, which see these materials sold for re-processing. In addition to being environmentally sustainable, these programmes are also income generative, realising funds to support the charity.

The organisation's extensive network of charity shops also support sustainability locally, providing an avenue for local residents to donate their unwanted personal possessions, diverting many of these items from household waste streams.

During 2024-25 we continued to champion a number of waste reduction schemes that included:

- Recycling our kitchen waste oil which is turned into bio diesel.
- Removing all single use plastics from all areas of the organisation.
- Created stronger links with local organisations/food suppliers who donate many free food products, which reduces costs and the mileage footprint of our catering operation.
- We now have kitchen gardens on all our hospice sites. These gardens are providing the hospice with fresh, seasonal produce throughout the year.
- We have introduced paper carrier bags across our retail operation.
- We are reviewing our suppliers with the aim to use more local suppliers where practical, in order to reduce our carbon footprint.

Streamlined Energy & Carbon Reporting (SECR):

Under changes introduced by the 2018 Regulations, large unquoted companies and large LLPs are obliged to report their UK energy use and associated greenhouse gas emissions as a minimum relating to gas, electricity and transport fuel, as well as an intensity ratio and information relating to energy efficiency action, through their annual reports.

This statement serves as an overview of Pilgrims Hospice in East Kent carbon use for the relevant scoping period. The period covered by this report is Mon 1st Apr 2024 to Mon 31st Mar 2025. We have outsourced the production of our SECR reporting and this year's report is presented in a different format to previous years. However the content and methodology used have retained the same principles.

SECR Scope contents

Scope 1 emissions

Direct emissions resulting from activities owned or controlled by our organisation.

1. Natural gas
2. Other fuels
3. Refrigerant gases
4. Bioenergy
5. Company owned vehicle business travel

Scope 2 emissions

Indirect emissions resulting from our consumption of purchased electricity, heat, steam and cooling.

1. Electricity
 - o Location based
 - o Market based
2. Heat and steam

Scope 3 emissions

Other indirect emissions resulting are a consequence of your actions that occur at sources we do not own or control and are not classed as Scope 2 emissions.

1. Private vehicle business travel
2. Transmission and Distribution (associated with grid loss)
3. Well to Tank (associated with extraction, refining and transportation of raw fuels prior to the generation of electricity, combustion or manufacture of fuel)

Scope breakdown

	Current reporting period (01 Apr 24 - 31 Mar 25)
Scope 1 kWh	
Natural gas	1,637,146 kWh
Company vehicle business travel	44,049 kWh
Scope 2 kWh	
Electricity	830,035 kWh
Scope 3 kWh	
Private vehicle business travel	530,914 kWh
Total	3,042,144 kWh
Scope 1 tCO₂e	
Natural Gas	299 tCO ₂ e
Company vehicle business travel	10 tCO ₂ e
Scope 2 tCO₂e	
Electricity	157 tCO ₂ e
Scope 3 tCO₂e	
Well to tank	124 tCO ₂ e
Transmission and distribution	15 tCO ₂ e
Private vehicle business travel	140 tCO ₂ e
Total	746 tCO₂e

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees regularly assess the risks and uncertainties to which the charity is exposed. The approach to risk is in accordance with a Risk Management Policy. A formal risk register is in place and the Trustees have adopted a risk management strategy whereby those risks are identified, the level of risk is assessed and systems for ameliorating them are put in place and regularly reviewed. The Board of Trustees reviews the risk register at their quarterly meetings.

The risk register is reviewed quarterly at a meeting of the Executive Management Team and each member thereof, in turn, is responsible for managing identified risks, identifying further risks and reporting these upwards to the Trustees for review. Sub-committees of the Board of Trustees, whose members comprise those with the skills and knowledge specific to the risks under review, report regularly to the Board as described above.

The risk register captures and categorises the risks across five broad areas of Pilgrims' activities namely, governance, operational, financial, external and environmental. The overriding risk to Pilgrims is the inability to deliver its mission statement, but this risk will have causal risks arising in the five areas noted above.

Financial risk includes the loss of income arising from a loss of reputation and the Trustees also recognise that the charity relies on two material amounts of funding arising from legacies and the NHS grant. Action is being taken to encourage the continued flow of legacies and Pilgrims continues to support Hospice UK in its campaign to attract more legacy income into the hospice

sector. At the time of writing, the key financial risk continues to be the securing of adequate levels of statutory income. Pilgrims maintains a strong relationship with the NHS to secure the continuance of the grant, and is in discussions with Commissioners, along with other local area hospices, to determine an appropriate level of funding apportioned to those providing end of life care, in line with Commissioning Frameworks. However, although there has been regular engagement with Commissioners during 2024-25, the funding pressures experienced by the Integrated Care Board have prevented Commissioners from being able to confirm funding arrangements for future years beyond 2025-26.

Operational risks at this time include the difficulties in being able to recruit and retain suitably qualified staff and volunteers and this particular risk is also faced by many parts of the health and social care sector. Currently Pilgrims has a near full complement of clinical and support staff. There are however continued challenges in recruiting Consultant grade doctors and specialist registered nurses, reflecting a national problem amongst hospices providing end of life care due to the scarcity of doctors at this level in this area of specialism and the scarcity of qualified nurses. Workforce risks have a knock-on effect on other operational risks, in that they impact on the provision of appropriate, safe levels of staffing and also on health and safety practices more generally. For the time being there are no concerns over safe staffing levels but the Board and the Executive Management Team continue to monitor the situation.

The heightened threat from cyber-attacks means that cyber security and the maintenance of secure IT services is now a ubiquitous risk in the risk register.

As work progresses on the project to modernise the Canterbury hospice, risks relating to this project are now beginning to feature more prominently in the risk register.

RELATED PARTIES AND RELATIONSHIPS WITH OTHER ORGANISATIONS

None of the Trustees receive remuneration or other benefit from their work with the charity. Trustees are able to claim any reasonable out-of-pocket expenses, incurred in the course of conducting the charity's business.

Trustees and senior managers are required to declare any interests that they may have outside of the charity. Transactions and contractual relationships with related parties must be disclosed.

Pilgrims Hospices in East Kent has three wholly owned subsidiaries. All are registered in England, are limited by share capital and have as their registered office 56 London Road, Canterbury, Kent CT2 8JA. Two of the subsidiaries are now dormant and the third operates as a trading company, transferring its taxable profits to Pilgrims Hospices in East Kent.

Hospice Shops Limited (No. 1623758, director K Warden) is now a dormant company.

Pilgrims Hospice Lottery Limited (No. 3130167, director K Warden) is now a dormant company.

Pilgrims Hospices Trading Limited (No. 07993259, director K Warden) handles the taxable trading activities of the charity, other than the running of the charity shops, and, along with the charity, is registered for VAT under a group registration scheme.

The charity is registered with a number of regulatory bodies, including the Charity Commission, Care Quality Commission, Fundraising Regulator, Gambling Commission and Information Commissioner's Office.

The charity is a member of Hospice UK, an umbrella body which supports hospices throughout the UK.

FINANCIAL REVIEW

The Statement of Financial Activities for the year is set out on page 35 of the financial statements. A summary of the financial results and the work of the charity is set out below. Note 22, which supports the Statement of Financial Activities on pages 60 to 63, shows how funds have been received and applied during the year.

During the year under review, the net movement in funds was a surplus of £250k after investment losses of £84k compared to a surplus of £1.687 million, after investment gains of £891k, in the previous year.

Our income generation activities from Retail, donations, lottery and legacies raised £11.5 million which was £100k lower than in the previous year, mainly as a result of a fall in Retail income as noted below..

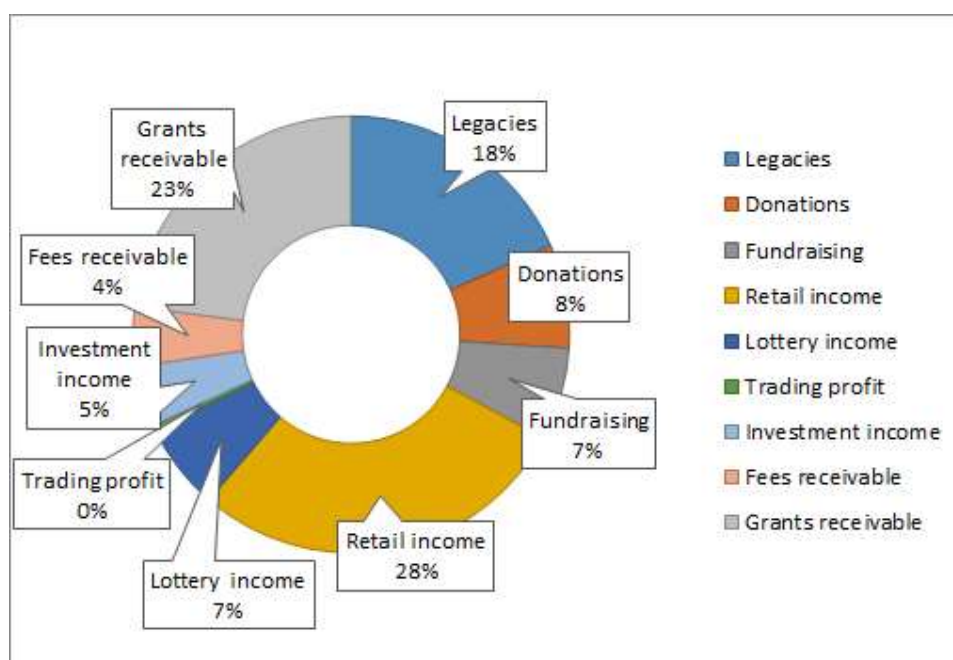
Legacy income was just under £3.5 million for the year, which was £300k less than the previous year.

The Retail operation continued to perform well, despite some challenges to certain workstreams. The Retail operation delivered a profit of £2.1 million on income of £5.38 million (excluding trading company income) compared to net profit of £2.3 million on income of £5.43 million in the previous year. Although income and profits were lower than in 2023-24, this was a good result in the face of continued difficult trading conditions in the high street and increased staffing costs as a result of the introduction of the new National Minimum Wage rates in April 2024, as well as the significant decline in rag rates and the closure of one our shops.

The Lottery remained strong with a turnover of £1.2 million and produced a net profit of just under £650k. This was similar to the results achieved in the previous year.

The grant from the local NHS Integrated Care Board (ICB) under a service funding agreement amounted to £4 million, approximately 23% of total running costs. A further grant of £291k was received from the Department of Health and Social Care, administered by Hospice UK, which was used for capital asset purchases.

Set out below is a chart showing how diverse our sources of income are, but also demonstrating that in 2024-25 retail income comprised the largest percentage.



Overall expenditure rose by 7.6%, from £17.294 million to £18.612 million. The increase was in the main the result of staffing cost increases, including the introduction of the new National Minimum Wage rates from 1 April 2024. Non-staff related costs were similar over the two years.

The investment portfolios experienced a turbulent year. They had been performing strongly up until the final quarter of the year, as it appeared that inflation was under control and the supply shocks precipitated by the COVID pandemic had been largely overcome, to the extent that the fundamentals of the global economy were positive. However, the planned enforcement by President Trump of substantial tariffs on goods from trading partners introduced substantial uncertainty on how they might affect the global economy. This alarmed markets and values fell substantially. At the end of the year, as a result of market falls, the portfolios experienced a combined loss in value of £155k.

Reserves Policy

The Trustees review their policy each year. In conducting their review they take into consideration best practice and the guidance issued by the Charity Commissioners.

In considering the reserves position, the Trustees review:

- that provision of this type of care involves ongoing running costs, currently in the region of £13.6 million per year, around two thirds of which has to be derived from voluntary sources;
- 85% of this amount is directly invested in providing these services;
- there is a requirement to provide assurance to those who give so generously that the Trustees will be able to continue to provide patient care to meet the ever more demanding needs of the community;
- the income generation activity has an annual cost to the charity of approximately £4.9 million and accordingly we need to generate approximately £18.9 million per year, in a normal year.
- During the year, the Finance Committee initiated a review of the Reserves Policy, with the intention of re-orientating the policy towards taking a risk based assessment of the charity's principal income streams as opposed to a policy based on retaining reserves to fund a certain number of months total expenditure. The revised policy will be developed in 2025-26 for approval by the Board early in that year.

The charity has the following categories of reserves:

Designated Reserves

'Fixed assets fund' holds the fixed assets used by Pilgrims to provide the facilities for the patients, their families and carers. Designated reserves include the Canterbury Hospice Fund, which was been set up in 2021-22 as a fund into which was placed a donation of £4 million from Pentland Homes and the Tory Foundation. Trustees have designated this donation as funding with which to modernise the present Canterbury hospice site. Other income funds raised specifically for the project will also be allocated to this fund.

Restricted Reserves

These are reserves only available for expenditure in accordance with the donor's directions.

Revaluation Reserves

These represent the accumulated gains in revaluation of investment properties.

Free Reserves

These are retained by the Trustees to give assurance to those who use Pilgrims' services and those who give of their time and money, that the Trustees will be able to sustain their commitment to provide specialist palliative care services to patients and support to their families and carers. The reserves are set at a level to withstand any short-term setback, whether operational, in the investment markets, or in key sources of income such as legacies. Liquid free reserves at 31 March 2025 stood at £15.7 million (2024: £16 million) which includes £9,156,000 (2024: £9,275,000) invested in quoted investments but excludes designated funds and £4,500,000 (2024: £4,400,000) in investment properties. The Trustees have agreed that the total of free reserves, i.e. those that

are not used in the day to day operation of the charity, must be sufficient to cover around five to six months operating expenditure and in the light of the uncertainties experienced during the coronavirus pandemic, the Trustees consider this level of reserves to be appropriate.

The Trustees recognise that the actual level of free reserves carried to date is significantly higher than the agreed minimum. However, they consider that in the present circumstances of a difficult economic climate, with staffing and energy costs still high, together with uncertainty over the level of funding Pilgrims can expect from the Integrated Care Board, at the point the charity is about to embark on a major capital project, maintaining a sizeable level of free reserves is prudent and necessary in order to be certain that Pilgrims can maintain a high standard of patient care.

INVESTMENT POLICY AND PERFORMANCE

At the end of the year there was £7,852,000 (2024: £11,868,000) available in cash and near cash, (in the form of short terms investments). At current financial levels of expenditure the charity requires on average around £1.55 million per month to cover running costs, including fundraising costs. However, when the need arises, the charity is able to liquidate medium term investments very quickly. During the year, Pilgrims undertook a review of its investment advisors. The review was undertaken as Coutts & Co had been the charity's investment advisors since 2000 and the Finance Committee was aware that best practice guidance advised that a review of advisors should be undertaken on a regular basis. Following that review, Pilgrims appointed Rathbones as its advisors.

As at the 2024-25 year end, the balance of the reserves is held in a Core Investment Fund for Charities, managed by Rathbones. The Trustees recognise the need to spread the investment risk in managing the reserves. They also acknowledge that investments should look to take into account, where possible, social, environmental and ethical considerations. For this reason the Trustees have stipulated that there should be no direct investment in companies manufacturing tobacco or tobacco products, or companies that derive more than 10% of their revenues from the manufacture of alcoholic beverages, armaments, gambling, high-interest rate lending or pornography.

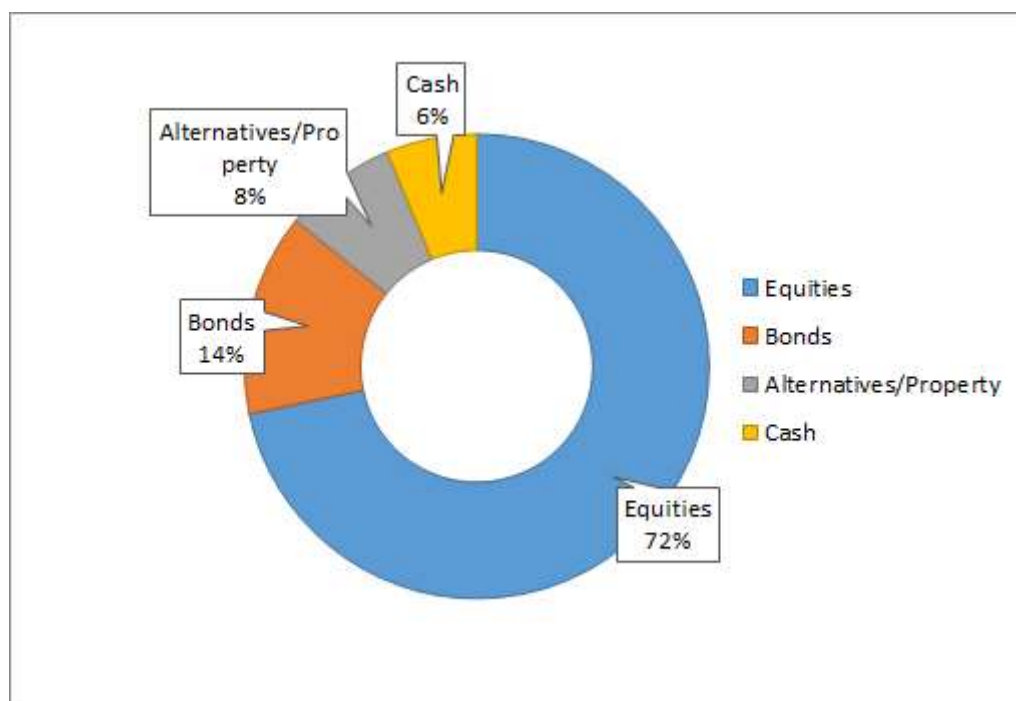
The investment properties comprise residential properties that the charity has inherited or acquired and which the Trustees retain, having taken appropriate advice, as they provide potential for capital growth and income. The Trustees are confident that, having taken advice, the carrying value of the properties at £4.5 million, a surplus of £3 million over acquisition value, is an accurate reflection of their market value as at 31 March 2025.

The general investment policy for the investment portfolio, adopted by the Trustees and managed by Rathbones, is to grow the investments above inflation in the context of achieving these objectives in a time horizon of 5 to 8 years and within a risk category of medium to medium high. The Rathbones portfolio manager actively monitors portfolio volatility and discusses the risks with Trustees at regular portfolio meetings.

Rathbones report that since the transfer of the portfolio from Coutts & Co, it returned -2%, compared to a 1.5% return by the benchmark comparator. The underperformance against the benchmark was because the benchmark was weighted towards UK investments, whereas the Rathbones portfolio was weighted more internationally. The portfolio had been performing strongly from inception with Rathbones up to the end of the third quarter. However, this position reversed when President Trump announced a programme of swingeing tariffs on goods supplied to the US by various trading partners. The uncertainty introduced by this announcement caused markets to fall substantially and as at the end of March 2025, the portfolio had lost £119k in value compared to its value at the beginning of the financial years.

During the year, Pilgrims invested £3.8 million of its designated reserves in a sub portfolio to its main portfolio. This portfolio experienced the same market turbulence as the main portfolio and by the end of the financial year it had lost £36k in value.

The asset class distribution of the two investment portfolios as at 31 March 2025 is set out below:



STATEMENT OF DISCLOSURE TO THE AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- So far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- That each Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the Charitable Company's auditors are aware of that information.

Charity Website

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

This report, including the Strategic Report, was approved by the Trustees, in their capacity as company directors on 2 October 2025 and signed on behalf of the company by:

Karen Warden
Chair

Pilgrims Hospices In East Kent

Audit report For the year ended 31 March 2025

Independent auditor's report to the members of Pilgrims Hospices in East Kent

Opinion

We have audited the financial statements of Pilgrims Hospices in East Kent (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2025 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 2025 and of the group'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 Pilgrims Hospices in East Kent's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other Information

The other information comprises the information included in the trustees' annual report, including the strategic 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.

Audit report continued
For the year ended 31 March 2025

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, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic 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, including the strategic 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

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.

Audit report continued
For the year ended 31 March 2025

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 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;
 - 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.

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.

Joanna Pittman (Senior statutory auditor)
27 October 2025
for and on behalf of Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, LONDON, EC1Y 0TG

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

Pilgrims Hospices In East Kent

Consolidated Statement of financial activities (incorporating income and expenditure account) For the year ended 31 March 2025

	Note	Restricted funds 2025 £000	Unrestricted funds 2025 £000	Total funds 2025 £000	Total funds 2024 £000
Income from:					
Donations and legacies	3	1,675	3,247	4,922	5,024
Charitable activities	4	291	4,887	5,178	4,583
Other trading activities	5	54	7,945	7,999	7,762
Investments	6	-	847	847	721
Total income		2,020	16,926	18,946	18,090
Expenditure on:					
Charitable activities:					
Fundraising costs		-	4,921	4,921	4,530
Investment management		-	94	94	96
Charitable activities		1,548	12,049	13,597	12,668
Total expenditure		1,548	17,064	18,612	17,294
Net income/(expenditure) before net (losses)/gains on investments		472	(138)	334	796
Net (losses)/gains on investments		-	(84)	(84)	891
Net income/(expenditure)		472	(222)	250	1,687
Transfers between funds	22	(101)	101	-	-
Net movement in funds		371	(121)	250	1,687
Reconciliation of funds:					
Total funds brought forward		392	32,745	33,137	31,450
Net movement in funds		371	(121)	250	1,687
Total funds carried forward		763	32,624	33,387	33,137

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 37 to 68 form part of these financial statements.

Consolidated balance sheet
As at 31 March 2025

	Note	2025 £000	2024 £000
Fixed assets			
Tangible assets	14	8,469	8,323
Investments	16	12,920	9,275
Investment property	15	4,486	4,415
		25,875	22,013
Current assets			
Stocks	17	26	24
Debtors	18	1,030	760
Investments	19	4,000	8,657
Cash at bank and in hand		3,852	3,211
		8,908	12,652
Current liabilities			
Creditors: amounts falling due within one year	20	(1,396)	(1,528)
Net current assets		7,512	11,124
Total net assets		33,387	33,137
Charity funds			
Restricted funds:			
Restricted funds	22	482	392
Restricted funds - class ii	22	281	-
Total restricted funds	22	763	392
Unrestricted funds	22	32,624	32,745
Total funds		33,387	33,137

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Karen Warden
Chair
Date: 2 October 2025

The notes on pages 37 to 68 form part of these financial statements.

Company balance sheet
As at 31 March 2025

	Note	2025 £000	2024 £000
Fixed assets			
Tangible assets	14	8,469	8,323
Investments	16	12,920	9,275
Investment property	15	4,486	4,415
		25,875	22,013
Current assets			
Debtors	18	1,037	798
Investments	19	4,000	8,657
Cash at bank and in hand		3,818	3,132
		8,855	12,587
Current liabilities			
Creditors: amounts falling due within one year	20	(1,332)	(1,518)
Net current assets		7,523	11,069
Total net assets		33,398	33,082
Charity funds			
Restricted funds	22	763	392
Unrestricted funds	22	32,635	32,690
Total funds		33,398	33,082

The Company's net movement in funds for the year was £316,000 (2024 - £1,681,000).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Karen Warden
Chair
Date: 2 October 2025

The notes on pages 37 to 68 form part of these financial statements.

Pilgrims Hospices In East Kent

Consolidated statement of cash flows For the year ended 31 March 2025

	Note	2025 £000	2024 £000
Cash flows from operating activities			
Net cash used in operating activities	25	(582)	544
Cash flows from investing activities			
Dividends, interests and rents from investments		847	721
Purchase of tangible fixed assets		(482)	(341)
Proceeds from sale of investments		9,247	4,564
Purchase of investments		(13,046)	(4,523)
Net cash (used in)/provided by investing activities		(3,434)	421
Change in cash and cash equivalents in the year		(4,016)	965
Cash and cash equivalents at the beginning of the year		11,868	10,903
Cash and cash equivalents at the end of the year	26	<u>7,852</u>	<u>11,868</u>

The notes on pages 37 to 68 form part of these financial statements

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2025

1. General information

Pilgrims Hospices in East Kent is a charitable company limited by guarantee and is incorporated in England.

The registered office address is 56 London Road, Canterbury, Kent, CT2 8JA.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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 because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

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

The financial statements are presented in sterling which is the functional currency of the Charity, and are rounded to the nearest thousand.

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.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Company and its subsidiary undertaking. The results of the subsidiary are consolidated 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 because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

2.2 Public benefit entity

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

**Notes to the financial statements
For the year ended 31 March 2025**

2. Accounting policies (continued)

2.3 Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Free reserves stand at ten months of ongoing expenditure. The cash flow forecast and current budget projections indicate that Pilgrims has sufficient funds to finance itself during the next 12 months, from the date of signature of 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.

2.4 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.

Legacies are reviewed on a case-by-case basis. For pecuniary legacies, entitlement is taken at the earlier of the date on which either: the charity is aware that probate has been granted, and the amount receivable can be measured reliably, and the receipt is probable; or when a distribution is received from the estate. For residuary legacies, entitlement is taken at 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. 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 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.

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

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. However, the trustees' annual report provides information about Pilgrims' volunteers and the contribution that they make to the charity.

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.

2.5 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:

**Notes to the financial statements
For the year ended 31 March 2025**

2. Accounting policies (continued)

2.5 Expenditure and irrecoverable VAT (continued)

Expenditure on charitable activities includes the costs of providing care and educational activities 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.

2.6 Interest receivable

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

2.7 Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Support costs are the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function.

Fundraising support costs are the support costs directly attributed to the Lottery and Retail departments of the charity.

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.

Support and governance costs are re-allocated to each of the activities according to the proportion of total direct costs attributable to each of those activities.

	Support	Governance
	%	%
In patient	66	78
Community services	12	14
Counselling	5	6
Information and education	2	2
Governance	15	

2.8 Tangible fixed assets and depreciation

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.

**Notes to the financial statements
For the year ended 31 March 2025**

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation (continued)

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:

Freehold property	- 50 years
Long-term leasehold property	- 50 years
Motor vehicles	- 4 years
Fixtures and fittings	- 4-5 years
Computer equipment	- 5-10 years
Freehold land	- not depreciated

2.9 Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'net gains/(losses) on investments' in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

Investments in subsidiaries are valued at cost less provision for impairment.

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value. Investment properties are not depreciated. Fair value is determined annually by the Trustees based on advice received. Any change in fair value is recognised in 'net gains/(losses) on investments' in the statement of financial activities. The valuation method used to determine fair value will be stated in the notes to the accounts.

2.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.12 Cash at bank and in hand

Cash at bank and 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.

**Notes to the financial statements
For the year ended 31 March 2025**

2. Accounting policies (continued)

2.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

2.14 Financial instruments

The Group 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.

2.15 Operating leases

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

**Notes to the financial statements
For the year ended 31 March 2025**

2. Accounting policies (continued)

2.16 Pensions

The Group operates a defined contribution pension scheme open to all employees. However, certain employees are already members of professional pension schemes to which Pilgrims Hospices in East Kent continues to make contributions as their employer. The pension costs charged in the financial statements represent the contributions payable by the Group during the year.

NHS Pension

Staff transferring from the NHS may continue to contribute to the NHS scheme.

Past and present employees are covered by the provisions of the NHS Pension Schemes. Details of the benefits payable and rules of the schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”.

An outline of these follows:

i) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2025, is based on valuation data as at 31 March 2023, updated to 31 March 2025 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the Statement by the Actuary, which forms part of the annual NHS Pension Scheme Annual Report and Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

**Notes to the financial statements
For the year ended 31 March 2025**

2. Accounting policies (continued)

2.16 Pensions (continued)

ii) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (considering recent demographic experience), and to recommend the contribution rate payable by employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from 1 April 2024 to 23.7% of pensionable pay. The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

The 2024 actuarial valuation is currently being prepared and will be published before new contribution rates are implemented from April 2027.

2.17 Fund accounting

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.

Restricted funds are to be used for specific purposes as laid down by the donor, or where donations are received in response to fundraising by the Charity for particular purposes. Expenditure which meets these criteria is charged to the fund.

Investment income, gains and losses are allocated to the appropriate fund.

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2025

3. Income from donations and legacies

	Restricted funds 2025 £000	Unrestricted funds 2025 £000	Total funds 2025 £000
Donations	188	1,265	1,453
Legacies	1,487	1,982	3,469
	1,675	3,247	4,922
	Restricted funds 2024 £000	Unrestricted funds 2024 £000	Total funds 2024 £000
Donations	130	1,103	1,233
Legacies	1,331	2,460	3,791
	1,461	3,563	5,024

At the balance sheet date, Pilgrims had received notice of £1,236,487 (2024: £980,444) of reversionary legacies which may become receivable in the future. These legacies are gifts of money or assets which only take effect subject to the prior right of a named person or persons to receive the benefit of those monies or assets, or income produced by them, during the person or persons lifetime. The gift then passes absolutely to Pilgrims as the "reversionary beneficiary" on the death of the named person or persons.

Besides these reversionary legacies, there was potential legacy income to a value of £5,826,638 (2024: £3,371,800) from legacies that were pending confirmation of probate or awaiting receipt of the estate accounts.

4. Income from charitable activities

	Restricted funds 2025 £000	Unrestricted funds 2025 £000	Total funds 2025 £000
Grants receivable	291	4,055	4,346
Fees receivable	-	832	832
	291	4,887	5,178

Notes to the financial statements
For the year ended 31 March 2025

4. Income from charitable activities (continued)

	Unrestricted funds 2024 £000	Total funds 2024 £000
Grants receivable	3,676	3,676
Fees receivable	907	907
	<u>4,583</u>	<u>4,583</u>

The Department for Health and Social Care awarded a grant (distributed via Hospice UK) to be used to fund capital expenditure during the year. More detail on the classes of capital assets funded from the grant is provided in Note 14 Tangible Fixed Assets.

5. Income from other trading activities

Income from fundraising events

	Restricted funds 2025 £000	Unrestricted funds 2025 £000	Total funds 2025 £000
General fundraising	9	97	106
Proceeds of events	45	1,148	1,193
Income from Retail	-	5,383	5,383
Income from Lottery	-	1,222	1,222
	<u>54</u>	<u>7,850</u>	<u>7,904</u>

	Restricted funds 2024 £000	Unrestricted funds 2024 £000	Total funds 2024 £000
General fundraising	10	102	112
Proceeds of events	9	936	945
Income from Retail	-	5,432	5,432
Income from Lottery	-	1,179	1,179
	<u>19</u>	<u>7,649</u>	<u>7,668</u>

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2025

5. Income from other trading activities (continued)

Income from non charitable trading activities

	Unrestricted funds 2025 £000	Total funds 2025 £000
Trading sales	95	95

	Unrestricted funds 2024 £000	Total funds 2024 £000
Trading sales	94	94

6. Investment income

	Unrestricted funds 2025 £000	Total funds 2025 £000
Investment properties	224	224
Listed investments	209	209
Interest receivable on cash deposits	414	414
	847	847

	Unrestricted funds 2024 £000	Total funds 2024 £000
Investment properties	220	220
Listed investments	229	229
Interest receivable on cash deposits	272	272
	721	721

Pilgrims Hospices in East Kent

**Notes to the financial statements
For the year ended 31 March 2025**

7a Analysis of expenditure (current year)

	Charitable activities						2025 Total £'000	2024	Total £'000
	Fundraising costs £'000	Investment management £'000	In-patient £'000	Community services £'000	Counselling £'000	Information and education £'000			
Direct costs									
Staff costs (note 11)	685	-	7,316	1,357	687	90	10,135		9,196
Staff agency costs	-	-	216	-	-	-	216		308
Food	-	-	139	-	-	-	139		129
Medical supplies	-	-	129	-	-	-	129		108
Laundry and cleaning	-	-	98	-	-	-	98		86
Heat, light and water	-	-	208	-	-	-	208		271
Repairs and maintenance	-	-	366	-	-	-	366		450
Postage, printing and stationery	137	-	16	-	-	-	153		157
Telephone	-	-	41	7	-	-	48		53
Travel	-	-	132	-	-	3	135		154
Course fees and expenses	-	-	-	-	-	65	65		92
Costs of education centre	-	-	-	-	-	31	31		32
Prizes	214	-	-	-	-	-	214		213
Other costs	310	-	181	-	-	-	491		362
Trading company costs of sales	17	-	-	-	-	-	17		14
Publicity	15	-	-	-	-	-	15		9
Investment property costs	-	79	-	-	-	-	79		60
Investment management fees	-	15	-	-	-	-	15		36
Depreciation	-	-	333	-	-	-	333		337
	1,378	94	9,175	1,364	687	189	12,887		12,067
Support costs (note 8a)	3,543	-	1,474	218	110	30	5,375		4,930
Governance costs (note 8a)	-	-	281	42	21	6	350		297
Total charity expenditure 2025	4,921	94	10,930	1,624	818	225	18,612		
Total charity expenditure 2024	4,530	96	9,914	1,738	760	256			17,294

Of the total figure of £4,928k for Fundraising costs in 2024-25, £3,331k related to total Retail costs and £576k to total Lottery costs.

Pilgrims Hospices in East Kent

**Notes to the financial statements
For the year ended 31 March 2025**

7b Analysis of expenditure (prior year)

	Charitable activities						
	Fundraising costs £'000	Investment management £'000	In-patient £'000	Community services £'000	Counselling £'000	Information and education £'000	2024 Total £'000
Direct costs							
Staff costs (note 11)	632	-	6,383	1,449	644	88	9,196
Staff agency costs	-	-	308	-	-	-	308
Food	-	-	129	-	-	-	129
Medical supplies	-	-	108	-	-	-	108
Laundry and cleaning	-	-	86	-	-	-	86
Heat, light and water	-	-	271	-	-	-	271
Repairs and maintenance	-	-	450	-	-	-	450
Postage, printing and stationery	140	-	17	-	-	-	157
Telephone	-	-	37	16	-	-	53
Travel	-	-	149	-	-	5	154
Course fees and expenses	-	-	-	-	-	92	92
Costs of education centre	-	-	-	-	-	32	32
Prizes	213	-	-	-	-	-	213
Other costs	234	-	120	8	-	-	362
Trading company costs of sales	14	-	-	-	-	-	14
Publicity	9	-	-	-	-	-	9
Investment property costs	-	60	-	-	-	-	60
Investment management fees	-	36	-	-	-	-	36
Depreciation	-	-	337	-	-	-	337
	1,242	96	8,395	1,473	644	217	12,067
Support costs (note 8b)	3,288	-	1,287	224	98	33	4,930
Governance costs (note 8b)	-	-	232	41	18	6	297
Total charity expenditure 2024	4,530	96	9,914	1,738	760	256	17,294

Pilgrims Hospices in East Kent

**Notes to the financial statements
For the year ended 31 March 2025**

8a Support and governance costs (current year)

	Charitable activities							
	Fundraising costs £'000	In-patient £'000	Community services £'000	Counselling £'000	Information and education £'000	Governance £'000	2025 Total £'000	2024 Total £'000
Staff costs	1,924	978	145	73	20	232	3,372	3,124
Staff agency costs	205	15	2	1	-	3	226	189
Repairs and maintenance	112	-	-	-	-	-	112	103
Postage, print and stationery	-	7	1	1	-	2	11	14
Travel	-	4	1	-	-	1	6	-
Life assurance	-	18	2	1	1	4	26	33
Computer costs	-	168	25	13	3	40	249	203
Bank charges	-	28	4	2	1	7	42	36
Auditors' remuneration	31	-	-	-	-	-	31	32
Professional and consultancy fees	-	81	12	6	2	19	120	63
Other shops and lottery costs	714	-	-	-	-	-	714	730
Rent and rates	556	-	-	-	-	-	556	495
Partial exemption adjustment	-	18	3	1	-	5	27	16
Sundry	-	157	23	12	3	37	232	188
Depreciation	1	-	-	-	-	-	1	1
	3,543	1,474	218	110	30	350	5,725	5,227
Allocation of governance	-	281	42	21	6	(350)		
Total support and governance expenditure 2025	3,543	1,755	260	131	36	-		

Pilgrims Hospices in East Kent

**Notes to the financial statements
For the year ended 31 March 2025**

8b Support and governance costs (prior year)

	Charitable activities						
	Fundraising costs £'000	In-patient £'000	Community services £'000	Counselling £'000	Information and education £'000	Governance £'000	2024 Total £'000
Staff costs	1,753	909	159	70	23	210	3,124
Staff agency costs	174	10	2	1	-	2	189
Repairs and maintenance	103	-	-	-	-	-	103
Postage, print and stationery	-	9	2	1	-	2	14
Travel	-	-	-	-	-	-	-
Life assurance	-	21	4	2	1	5	33
Computer costs	-	135	24	10	3	31	203
Bank charges	-	24	4	2	1	5	36
Auditors' remuneration	32	-	-	-	-	-	32
Professional and consultancy fees	-	42	7	3	1	10	63
Other shops and lottery costs	730	-	-	-	-	-	730
Rent and rates	495	-	-	-	-	-	495
Partial exemption adjustment	-	11	2	1	-	2	16
Sundry	-	126	20	8	4	30	188
Depreciation	1	-	-	-	-	-	1
	3,288	1,287	224	98	33	297	5,227
Allocation of governance	-	232	41	18	6	(297)	
Total support and governance expenditure 2024	3,288	1,519	265	116	39	-	

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2025

9. Auditors' remuneration

	2025 £000	2024 £000
Audit of the charity - current year	31	29
Fees payable to the charity's auditor and its associates in respect of:		
Taxation compliance services	2	2
Audit of the trading subsidiary	3	2
	=====	=====

10. Net income for the year

This is stated after charging / (crediting):

	2025 £000	2024 £000
Depreciation	334	337
Operating lease rentals - property	523	466
Operating lease rentals - other	100	108
Operating lease rentals receivable - property	(224)	(220)
	=====	=====

11. Staff costs

	Group 2025 £000	Group 2024 £000	Company 2025 £000	Company 2024 £000
Wages and salaries	11,466	10,475	11,466	10,475
Social security costs	1,078	963	1,078	963
Contribution to pension schemes	963	882	963	882
	=====	=====	=====	=====
	13,507	12,320	13,507	12,320

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2025

11. Staff costs (continued)

The average number of employees (head count based on number of staff employed) during the year was 379 (2024: 366).

The average number of persons employed by the Company during the year was as follows:

	Group 2025 No.	Group 2024 No.
Fundraising	23	22
Trading	75	71
In-patients	196	174
Community Services	24	28
Counselling	23	21
Information and education	5	6
Administration and support	33	44
	379	366

The average headcount expressed as full-time equivalents based on the activities of the charity was:

	Group 2025 No.	Group 2024 No.
Fundraising	19	18
Trading	66	63
In-patient	153	137
Community services	21	25
Counselling	17	16
Information and education	4	5
Administration and support	30	37
	310	301

**Notes to the financial statements
For the year ended 31 March 2025**

11. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs and employer's national insurance) exceeded £60,000 was:

	Group 2025 No.	Group 2024 No.
In the band £60,001 - £70,000	4	3
In the band £70,001 - £80,000	2	2
In the band £80,001 - £90,000	2	3
In the band £110,001 - £120,000	1	-
In the band £120,001 - £130,000	2	2
In the band £160,001 - £170,000	1	-

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £816,958 (2024: £764,385).

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2024 - £NIL).

During the year ended 31 March 2025, expenses totalling £610 were reimbursed or paid directly to 1 Trustee (2024 - £365). This was for travel and subsistence and catering for a Board development session.

13. 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 Pilgrims Hospices Trading Limited distributes under Gift Aid available profits to the parent charity. Its charge to corporation tax at 21.19% in the year was £Nil (2024: £Nil).

Notes to the financial statements
For the year ended 31 March 2025

14. Tangible fixed assets

Group and Company

	Freehold property £000	Long-term leasehold property £000	Motor vehicles £000	Fixtures and fittings £000	Computers and other equipment £000	Total £000
Cost or valuation						
At 1 April 2024	10,525	2,705	84	318	1,191	14,823
Additions	145	98	-	42	197	482
Disposals	-	-	(1)	-	(20)	(21)
At 31 March 2025	<u>10,670</u>	<u>2,803</u>	<u>83</u>	<u>360</u>	<u>1,368</u>	<u>15,284</u>
Depreciation						
At 1 April 2024	3,771	1,506	58	313	852	6,500
Charge for the year	160	52	14	10	98	334
On disposals	-	-	-	-	(19)	(19)
At 31 March 2025	<u>3,931</u>	<u>1,558</u>	<u>72</u>	<u>323</u>	<u>931</u>	<u>6,815</u>
Net book value						
At 31 March 2025	<u>6,739</u>	<u>1,245</u>	<u>11</u>	<u>37</u>	<u>437</u>	<u>8,469</u>
At 31 March 2024	<u>6,754</u>	<u>1,199</u>	<u>26</u>	<u>5</u>	<u>339</u>	<u>8,323</u>

Land with a value of £2 million (2024: £2 million) is included within freehold property and not depreciated, of which £57,000 is treated as a restricted asset, funded from the DHSC/HUK grant. A further £61,000 of freehold additions were funded by the DHSC/HUK grant.

Of the Leasehold additions purchased in the year, £80,000 were funded by the DHSC/HUK grant.

Of the Fixtures and Fittings additions purchased in the year, £29,000 were funded from the DHSC/HUK grant.

Of the Computers and other equipment additions purchased in the year, £65,000 were funded by the DHSC/HUK grant.

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2025

15. Investment property

Group and Company

	Freehold investment property £000
Valuation	
At 1 April 2024	4,415
Surplus on revaluation	71
At 31 March 2025	4,486

The properties were last valued, as at 31 March 2025, in April 2025 by Rob Bryer, MARLA MNAEA from The Good Estate Agent.

Management undertakes regular reviews of the condition of the investment properties and regular maintenance is undertaken in order to maintain values.

16. Fixed asset investments

Group and Company	Listed investments £000	Other investments £000	Total £000
Cost or valuation			
At 1 April 2024	8,977	298	9,275
Additions	10,560	2,486	13,046
Disposals	(6,469)	(2,777)	(9,246)
Revaluations	(155)	-	(155)
At 31 March 2025	12,913	7	12,920

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2025

	2025 £000	2024 £000
Investments comprise:		
Fixed interest	-	3,059
Managed funds (equity based)	-	5,687
Alternative investment funds	-	231
Rathbones Core Investment Fund for Charities	12,913	-
Cash	7	298
	12,920	9,275

All fixed asset investments are held in the UK.

Principal subsidiaries

The following were subsidiary undertakings of the Company:

Names	Company number	Registered office or principal place of business	Principal activity
Pilgrims Hospices Trading Limited	07993259	56 London Road, Canterbury, Kent, CT2 8JA	Non-primary purpose trading activities
Hospice Shops Limited	01623758	56 London Road, Canterbury, Kent, CT2 8JA	Dormant
Pilgrims Hospice Lottery Limited	03130167	56 London Road, Canterbury, Kent, CT2 8JA	Dormant

Class of shares	Holding
Ordinary	100%
Ordinary	100%
Ordinary	100%

The charity owns 2 ordinary shares of £1 each in Pilgrims Hospices Trading Limited.

The charity owns 3 ordinary shares of £1 each in Hospice Shops Limited.

The charity owns 2 ordinary shares of £1 each in Pilgrims Hospice Lottery Limited.

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2025

A summary of the results of Pilgrims Hospices Trading Limited is shown below:

	2025 £'000	2024 £'000
Turnover	95	94
Cost of sales	<u>(18)</u>	<u>(14)</u>
Gross profit/(loss)	77	80
Administrative expenses	(3)	(5)
Management charge payable to parent undertaking	<u>(3)</u>	<u>(3)</u>
Profit on ordinary activities	71	72
Taxation on ordinary activities	<u>-</u>	<u>-</u>
Profit for the financial year	<u>71</u>	<u>72</u>
Retained earnings		
Total retained earnings brought forward	48	48
Profit for the financial year	71	72
Distribution under Gift Aid to parent charity	(71)	(72)
Total retained earnings carried forward	<u>48</u>	<u>48</u>
The aggregate of the assets, liabilities and reserves was:		
Assets	60	104
Liabilities	<u>(12)</u>	<u>(56)</u>
Reserves	<u>48</u>	<u>48</u>

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

	2025 £'000	2024 £'000
Gross income	18,851	17,996
Result for the year	<u>180</u>	<u>1,615</u>

17. Stocks

	Group 2025 £000	Group 2024 £000
Finished goods and goods for resale	<u>26</u>	<u>24</u>

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2025

18. Debtors

	Group 2025 £000	Group 2024 £000	Company 2025 £000	Company 2024 £000
Due within one year				
Trade debtors	130	75	130	75
Amounts owed by group undertakings	-	3	7	46
Other debtors	550	340	550	335
Prepayments and accrued income	253	339	253	339
Accrued legacy income	97	3	97	3
	1,030	760	1,037	798

19. Current asset investments

	Group 2025 £000	Group 2024 £000	Company 2025 £000	Company 2024 £000
Short term deposits	4,000	8,657	4,000	8,657

20. Creditors: Amounts falling due within one year

	Group 2025 £000	Group 2024 £000	Company 2025 £000	Company 2024 £000
Trade creditors	421	562	421	557
Other taxation and social security	458	347	458	347
Other creditors	77	1	16	1
Accruals and deferred income	440	618	437	613
	1,396	1,528	1,332	1,518

Deferred income comprises lottery subscriptions, course fees and fundraising activities taking place in the following year.

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2025

	Group 2025 £000	Group 2024 £000	Company 2025 £000	Company 2024 £000
Deferred income at 1 April 2024	432	3,480	432	3,480
Resources deferred during the year	273	432	273	432
Amounts released from previous periods	(432)	(3,480)	(432)	(3,480)
	273	432	273	432

21. Financial instruments

	Group 2025 £000	Group 2024 £000	Company 2025 £000	Company 2024 £000
Financial assets measured at fair value through profit and loss				
Investment properties	4,486	4,415	4,486	4,415
Listed investments	12,920	9,275	12,920	9,275
	17,406	13,690	17,406	13,690

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2025

22. Statement of funds

Statement of funds - current year

	Balance at 1 April 2024 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2025 £000
Unrestricted funds						
Designated funds						
Fixed asset fund	8,323	-	(323)	188	-	8,188
Canterbury Hospice	3,999	91	(43)	-	(36)	4,011
	<u>12,322</u>	<u>91</u>	<u>(366)</u>	<u>188</u>	<u>(36)</u>	<u>12,199</u>
General funds						
General Funds	16,725	16,835	(16,698)	(87)	-	16,775
Revaluation reserve	3,698	-	-	-	(48)	3,650
	<u>20,423</u>	<u>16,835</u>	<u>(16,698)</u>	<u>(87)</u>	<u>(48)</u>	<u>20,425</u>
Total Unrestricted funds	<u>32,745</u>	<u>16,926</u>	<u>(17,064)</u>	<u>101</u>	<u>(84)</u>	<u>32,624</u>
Restricted funds						
Ashford Hospice	87	276	(259)	(12)	-	92
Bedside funds	12	4	(3)	-	-	13
Canterbury Hospice	30	359	(356)	-	-	33
Thanet Hospice	6	963	(909)	(33)	-	27
Hospice at Home	-	6	(6)	-	-	-
Sundry projects	257	5	(5)	-	-	257
Bed Appeal fund	-	116	-	(56)	-	60
	<u>392</u>	<u>1,729</u>	<u>(1,538)</u>	<u>(101)</u>	<u>-</u>	<u>482</u>
Restricted fixed asset funds						

Notes to the financial statements
For the year ended 31 March 2025

22. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 April 2024 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2025 £000
DHSC/HUK Capital fund	-	291	-	-	-	291
Fixed asset DHSC/HUK capital fund	-	-	(10)	-	-	(10)
	-	291	(10)	-	-	281
Total Restricted funds	392	2,020	(1,548)	(101)	-	763
Total of funds	33,137	18,946	(18,612)	-	(84)	33,387

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2025

22. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2023 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2024 £000
Unrestricted funds						
Designated funds						
Fixed asset fund	8,315	-	(337)	345	-	8,323
Canterbury Hospice	3,837	162	-	-	-	3,999
	<u>12,152</u>	<u>162</u>	<u>(337)</u>	<u>345</u>	<u>-</u>	<u>12,322</u>
General funds						
General Funds	16,115	16,448	(15,574)	(264)	-	16,725
Revaluation reserve	2,807	-	-	-	891	3,698
	<u>18,922</u>	<u>16,448</u>	<u>(15,574)</u>	<u>(264)</u>	<u>891</u>	<u>20,423</u>
Total Unrestricted funds	<u>31,074</u>	<u>16,610</u>	<u>(15,911)</u>	<u>81</u>	<u>891</u>	<u>32,745</u>
Restricted funds						
Ashford Hospice	84	729	(726)	-	-	87
Bedside funds	8	9	(5)	-	-	12
Canterbury Hospice	21	382	(372)	(1)	-	30
Thanet Hospice	-	298	(267)	(25)	-	6
Sundry projects	263	7	(13)	-	-	257
Bed Appeal fund	-	55	-	(55)	-	-
	<u>376</u>	<u>1,480</u>	<u>(1,383)</u>	<u>(81)</u>	<u>-</u>	<u>392</u>
Total of funds	<u>31,450</u>	<u>18,090</u>	<u>(17,294)</u>	<u>-</u>	<u>891</u>	<u>33,137</u>

**Notes to the financial statements
For the year ended 31 March 2025**

22. Statement of funds (continued)

Purposes of restricted funds

These represent donations, legacies and grants received for specific purposes. Those funds associated with the three hospice sites and Hospice at Home are for contributions towards the running of those sites and services, as well as to fund projects to be undertaken for the improvement of patient care at the three hospice sites.

DHSC/HUK capital fund - The Department for Health and Social Care awarded a grant (distributed via Hospice UK) to be used to fund capital expenditure during the year.

Transfers includes a donation of £33k for the refurbishment of patient rooms at the Thanet hospice and £12k for the patient lounge at the Ashford hospice. The sum also includes £55.7k of restricted donations which have been used for the purchase of replacement beds across the three hospice sites.

The **Fixed asset DHSC/HUK capital fund** represents the NBV of capital expenditure purchased using the grant awarded.

The **Bedside Fund** provides funding for the upgrade or replacement of items of equipment needed 'at the bedside' across the three hospice sites.

Included in **Sundry projects** is a legacy specifically for the funding of training for health and social care professionals, with a revised programme planned for future years, as well as a grant for a pilot scheme with certain east Kent GP practices to help identify patients that would benefit from early referral to Pilgrims' services and expertise. The projects also include a fund for the employment of a Specialist Nurse who will recruit and train expert volunteers to provide bereavement support to bereaved families across east Kent.

The **Bed Appeal** includes the funds arising from a campaign to raise funds for the upgrading and replacement of patient beds on all three sites. The replacement project is ongoing.

Purposes of designated funds

The fixed asset fund has been set up to identify those funds that are not free funds and it represents the net book value of tangible fixed assets. The transfer between the unrestricted general fund and the fixed asset fund represents the net movement in the net book value of fixed assets in the year.

The **Canterbury Hospice Fund** has been set up as a fund into which has been placed a donation of £4 million from the Pentland Homes and the Tory Foundation which trustees have designated as funding with which to build a new hospice in Thanington. Other income funds raised specifically for the project will also be allocated to this fund.

Revaluation reserve

The revaluation reserves represents the increase in valuation of investment properties above the cost price paid.

Notes to the financial statements
For the year ended 31 March 2025

23. Summary of funds

Summary of funds - current year

	Balance at 1 April 2024 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2025 £000
Designated funds	12,322	91	(366)	188	(36)	12,199
General funds	20,423	16,835	(16,698)	(87)	(48)	20,425
Restricted funds	392	1,729	(1,538)	(101)	-	482
Restricted funds - Class II	-	291	(10)	-	-	281
	<u>33,137</u>	<u>18,946</u>	<u>(18,612)</u>	<u>-</u>	<u>(84)</u>	<u>33,387</u>

Summary of funds - prior year

	Balance at 1 April 2023 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2024 £000
Designated funds	12,152	162	(337)	345	-	12,322
General funds	18,922	16,448	(15,574)	(264)	891	20,423
Restricted funds	376	1,480	(1,383)	(81)	-	392
	<u>31,450</u>	<u>18,090</u>	<u>(17,294)</u>	<u>-</u>	<u>891</u>	<u>33,137</u>

24. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2025 £000	Restricted funds - class ii 2025 £000	Unrestricted funds 2025 £000	Total funds 2025 £000
Tangible fixed assets	-	281	8,188	8,469
Fixed asset investments	-	-	12,920	12,920
Investment property	-	-	4,486	4,486
Current assets	482	-	8,426	8,908
Creditors due within one year	-	-	(1,396)	(1,396)
Total	<u>482</u>	<u>281</u>	<u>32,624</u>	<u>33,387</u>

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2025

24. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Restricted funds 2024 £000	Unrestricted funds 2024 £000	Total funds 2024 £000
Tangible fixed assets	-	8,323	8,323
Fixed asset investments	-	9,275	9,275
Investment property	-	4,415	4,415
Current assets	392	12,260	12,652
Creditors due within one year	-	(1,528)	(1,528)
Total	392	32,745	33,137

25. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2025 £000	Group 2024 £000
Net income for the year (as per Statement of Financial Activities)	250	1,687
Adjustments for:		
Depreciation charges	334	337
Gains/(losses) on investments	84	(891)
Dividends, interests and rents from investments	(847)	(721)
Loss/(profit) on the sale of fixed assets	2	(4)
Increase in stocks	(2)	(8)
Decrease/(increase) in debtors	(270)	3,108
Increase in creditors	(133)	(2,964)
Net cash provided by/(used in) operating activities	(582)	544

26. Analysis of cash and cash equivalents

	Group 2025 £000	Group 2024 £000
Cash in hand	7,852	11,868
Total cash and cash equivalents	7,852	11,868

Notes to the financial statements
For the year ended 31 March 2025

27. Analysis of changes in net debt

	At 1 April 2024 £000	Cash flows £000	At 31 March 2025 £000
Cash at bank and in hand	3,211	641	3,852
Liquid investments	8,657	(4,657)	4,000
	<u>11,868</u>	<u>(4,016)</u>	<u>7,852</u>

28. Operating lease commitments payable as a lessee

At 31 March 2025 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2025 £000	Group 2024 £000	Company 2025 £000	Company 2024 £000
Land and buildings				
Not later than 1 year	488	434	488	434
Later than 1 year and not later than 5 years	899	1,189	899	1,189
	<u>1,387</u>	<u>1,623</u>	<u>1,387</u>	<u>1,623</u>

	Group 2025 £000	Group 2024 £000	Company 2025 £000	Company 2024 £000
Equipment and vehicles				
Not later than 1 year	70	75	70	75
Later than 1 year and not later than 5 years	47	121	47	121
Later than 5 years	-	-	-	-
	<u>117</u>	<u>196</u>	<u>117</u>	<u>196</u>

Notes to the financial statements
For the year ended 31 March 2025

29. Operating lease commitments receivable as a lessor

The group leases out the investment property under non-cancellable operating leases for the following future minimum lease payments. There are no contingent rents. The rents we have budgeted to earn from our investment property estate in 25-26 sum to £246k.

	Group 2025 £000	Group 2024 £000	Company 2025 £000	Company 2024 £000
Property				
Less than one year	246	237	246	237
One to five years	-	-	-	-
Over five years	-	-	-	-
	246	237	246	237

30. Related party transactions

During the year, donations amounting to £2,128 (2024: £2,080) were made by trustees to the charity. No donations (2024: £867) were received from other related parties, which were outside the normal course of business. There were no restricted donations arising from related parties.

Pilgrims Hospices Trading Limited incurred management charges payable to the Charity of £3,412 (2024: £3,175). In addition, the Charity purchased goods from Pilgrims Hospices Trading of £nil (2024: £nil). Pilgrims Hospices Trading covenanted its profit of £70,589 (2024: £72,077) to the Charity.

31. 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.

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2025

32. Prior Year Consolidated Statement of Financial Activities

	Restricted funds 2024 £000	Unrestricted funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Income from:				
Donations and legacies	1,461	3,563	5,024	4,745
Charitable activities	-	4,583	4,583	4,122
Other trading activities	19	7,743	7,762	7,477
Investments	-	721	721	396
Total income	1,480	16,610	18,090	16,740
Expenditure on:				
Charitable activities:				
Fundraising costs	-	4,530	4,530	4,094
Investment management	-	96	96	52
Charitable activities	1,383	11,285	12,668	11,369
Total expenditure	1,383	15,911	17,294	15,515
Net income before net gains/(losses) on investments	97	699	796	1,225
Net gains/(losses) on investments	-	891	891	(313)
Net income	97	1,590	1,687	912
Transfers between funds	(81)	81	-	-
Net movement in funds	16	1,671	1,687	912
Reconciliation of funds:				
Total funds brought forward	376	31,074	31,450	30,538
Net movement in funds	16	1,671	1,687	912
Total funds carried forward	392	32,745	33,137	31,450

Accounts

Company number: 02000560

Charity number: 293968

Pilgrims Hospices in East Kent

Report and financial statements

For the year ended 31 March 2024

PILGRIMS HOSPICES IN EAST KENT
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 March 2024

Trustees	K Warden S Bates LLB. (Hons.) Dr P Biggs S Cuomo (resigned 5 March 2024) P Lepper (appointed 16 April 2024) S Oriel MA (Cantab) S Perks J Richards E Sharp MB BS, FRCS Dr R Wilson

Company registered number	02000560

Charity registered number	293968

Registered office	56 London Road Canterbury Kent CT2 8JA

Independent auditor	Sayer Vincent LLP 110 Golden Lane London EC1Y 0TG

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CHAIR & CHIEF EXECUTIVE'S STATEMENT:

Pilgrims Hospices has performed strongly during 2023-24, our focus has been to review both our organisational and clinical strategy, to further develop our services to continue to enhance the access to hospice services and quality of life for those facing life-limiting illnesses. Rooted in our core values, our strategy "Compassionate Care for Every Patient, Every Family, Every Time", charts a course for innovation, collaboration, and the delivery of unparalleled patient and family centred care. We are confident that our collective efforts will deliver further improvements in excellence to our hospice care services, both in our inpatient units and community settings, making a lasting impact on the lives we touch.

We have achieved many of the objectives we set for ourselves in 2023-24, and our significant achievements have included:

- Gaining a small increase in our statutory funding from the Kent & Medway Integrated Care Board (K&M ICB) as a result of joint Kent and Medway Hospice negotiations, which supported us achieving financial breakeven in a challenging financial climate.
- Developing both the collection and presentation of clinical and care "outcome" data to evidence the clinical impact we have on both patients and their families when under our compassionate and expert care.
- Developing the physical environment of our Thanet Inpatient Unit site and thus enhancing patient experience and satisfaction as well as staff morale to make our care setting as welcoming and comfortable as possible

However, unfortunately, we were advised that we have had to pause our progress in regards to our planned Canterbury new build due to the ongoing Stodmarsh water nutrient/neutrality issue, however we have had constructive discussions with the many parties involved and continue to ensure that we provide a high quality care environment at our current Canterbury site.

Sadly, 2023 saw the death of our life time president and founder Ann Robertson, who was an extraordinary individual who dedicated her life to providing compassionate care for those in need. We pay tribute to her remarkable achievements as the founder and lifetime President of Pilgrims Hospices. Ann's unwavering commitment and relentless pursuit of excellence have left an indelible mark on the organisation and the countless lives it has touched. Pilgrims Hospices continues to celebrate her lifelong dedication and the profound impact she made in the field of hospice care.

We continue to be so proud to lead such an inspiring, innovative, compassionate and caring organisation. This, of course, would simply not be possible without the dedication of our staff and volunteers and the support of our local communities for whom we strive to ensure the delivery and sustainability of palliative and end of life care for every patient, every family, every time.

Thank you for your continued support.

Karen Warden
Chair of Trustees

Helen Bennett
Chief Executive Officer

STRATEGIC REPORT

OBJECTS AND ACTIVITIES (Facts and figures)

Pilgrims Hospices serves a population of approximately 750,000, providing adult palliative care services across East Kent. The charity employs over 360 people and is supported by over 1,150 volunteers. Pilgrims provides support through a number of services:

Inpatient Units

Pilgrims operates three inpatient units in Ashford, Canterbury and Thanet, providing specialist palliative care delivered by a multi-disciplinary team of clinicians. Pilgrims aspires to provide a homely, welcoming environment for patients where they will feel safe, comfortable and well cared for.

Community Services

Pilgrims' dedicated community teams provide specialist palliative care assessment and advice for patients in community settings, whether in their own home, care home, or through outpatient appointments on site, via telephone or virtually. Support is also available 24 hours per day, 365 days per year through a dedicated advice line.

Therapy & Wellbeing

A multi-disciplinary team including Wellbeing Practitioners, Physio and Occupational Therapists provides therapies and wellbeing support for patients through Pilgrims Therapy Centres, as well as through home visits, provision of gym services, and specialist assessment. Therapies input is intended to ensure patients have access to the support they need to enjoy the highest possible quality of life, living as well and as comfortably as possible.

Hospice at Home

Hospice at Home provides dedicated domiciliary care for patients in the last days and hours of life. The team provides up to three visits per day, administering personal care and supporting patients to remain in their preferred place of care until they die.

In the year ended March 2024:

Pilgrims received
2,568 referrals

7,733 patients
Used our services

Pilgrims delivered
6,413
Community Contacts

1.6 million
Donated items sold through
our shops

Psychosocial and Bereavement Care

Social Workers, Counsellors and Spiritual Care professionals work to provide holistic, person-centred care to patients, addressing their psychosocial needs. The Counselling team also provides bereavement support to anyone across east Kent through the Stepping Stones Bereavement Services.

Cost

In the year to March 2024 it cost £12.7 million to deliver these services.

Our Vision

At Pilgrims Hospices we have a simple Vision: “of a community where people with a terminal illness and their family and friends are supported and empowered to live well in mind and body until the very last moment of their life.”

Our Mission

Our ‘Mission’ is to make a difference in the lives of individuals in east Kent who are facing the last year of life. To do this we:

- Provide open, compassionate care and expertise for patients and their families; both in the community and in our inpatient units. We will continue this support for families through their bereavement.
- Inform, educate and enable patients and their families so they can make informed choices and participate in planning their own care.
- Form strategic partnerships throughout our community; sharing our research, knowledge and expertise to enable others to play their part in supporting families where and when they need it.

Our Values

To achieve our Vision, we have a shared set of values and behaviours that will enable us to be the people and the charity that patients and their loved ones need us to be. They form our ‘CODE’ which guides us in our daily working and decision making.

Compassionate -	We treat everyone with compassion and care.
Open -	We communicate openly, honestly and effectively.
Dynamic -	We are dynamic, improving and developing our services.

Pilgrims took over
3,700 phone calls
per month from patients,
families and professionals

On average, Pilgrims
provided over
**2,100 patient
meals**
per month

Pilgrims welcomed
**10,750
Supporters**
to events and
challenges in 2023-24

Pilgrims provided
**1,585
Bereavement Care
Sessions**

Lottery entries
achieved
20,811
per week on average

STRATEGIC PROGRESS & KEY ACHIEVEMENTS

2021-22 saw the launch of Pilgrims Hospices' five-year Organisational Strategy, covering the period 2021-2026.

Four pillars underpin and guide the charity's long-term strategic ambitions and inform the setting of annual objectives.



Objective One: We will put the patient at the centre of all we do, delivering the care they need, where they need it.

As a charity, Pilgrims' first priority will always be patients and the organisation is dedicated to ensuring that service users, as well as their families, receive the highest standards of care and support.

Throughout the year, more services were added to the *I Want Great Care* programme, ensuring feedback was gathered from areas other than the inpatient units such as Physiotherapy, Occupational Therapy and Wellbeing services as well as our other community services. The proportion of patients indicating satisfaction across all services averaged 98%. Processes for recording and following up complaints ensure that if service standards fall below those expected, or where a patient is unhappy with the service received, that this is captured, and that the most is made of opportunities for learning. We are now also collecting direct service user feedback from the Views on Care forms which are given to patients or clients at the end of a period of care (part of the Outcome measures OACC). They judge the impact the care and support received has had on their quality of life. Any positive or negative feedback is reviewed and, if needed, action taken.

Outcome measures

During 2023-24, we made significant changes to our patients' involvement and participation in their care planning, as well as our documentation and our reporting on outcomes. The complexity of our patients at first assessment and changes during follow up contracts are now regularly reported on for patients across all of the care services in the organisation, rather than focussing on the inpatients. Outcome measures are now well reported, especially in the IPU, and understood across the organisation. These are reviewed and analysed at the monthly Outcome Champions Meeting.

Pilgrims worked closely with partners across the healthcare sector, including East Kent Hospitals University NHS Foundation Trust (EKHUFT), throughout the first quarter of the year. In order to provide support to the maximum number of patients, Pilgrims opened additional beds to facilitate admissions for end of life (EOL) patients and continued to facilitate short term admissions for patients in their last months of life, who were waiting for a discharge package, which in turn reduced pressure on NHS/EKHUFT acute services.

By the end of the financial year all three inpatients units were staffed to enable 12 beds to be open. The education lead role was expanded to incorporate Quality. The Quality and Education Lead has implemented monthly quality visits with the Director of Nursing and Care to ensure that care is of the highest standards. Patients are now actively involved in the development of their care plans as these are now led by their own defined goals and concerns in all clinical hospice services.

Objective Two: We will use our influence to develop our services and maximise our reach as we implement new service initiatives.

Evidence demonstrates that earlier involvement with palliative care services improves quality of life and End of Life outcomes for patients and earlier intervention is therefore a key priority for Pilgrims now and in the future. Central to this ambition is the Think, Talk, Act programme which, in partnership with GPs, seeks to identify and engage the 1% of patients likely to die in the next 12 months, as well as the 3% of patients already identified as “moderately frail”.

This programme aims to:-

- enable and empower families to participate in creating their own plans for care whilst they are well enough to participate
- increase the percentage of people identified as likely to be in their last year of life, so that end of life care can be improved by personalising it according to their needs and preferences
- increase the percentage of people who have died having been offered the opportunity for personalised care and support planning
- work alongside primary care colleagues to help identify and support relevant patients, we will introduce proactive and personalised care planning for everyone identified as being in their last year of life
- extend the time we have with a family to establish deeper connection and provide more holistic care
- change the perception people have of Pilgrims – to move away from being seen as a place to die to being seen as an enabler of living well in the final phase of life
- increase support for Pilgrims from a much broader cohort of our local community.

Pilgrims worked with the Integrated Care Board (ICB) and Social Finance towards a bid to provide this service across Kent and Medway alongside the ICB bid for an end of life Single Point of Access service (SPoA). After nine months of work the ICB pulled out of the bid and the neither of these initiatives progressed at this time. The clinical leads in the Ashford and Thanet area however, still embarked on the development of this SPoA which helps to support anybody who calls 999 with the most appropriate needs assessment in the most appropriate setting. The hospice is part of the working group party and actively supports the other end of life and supportive community services in the delivery of practical support.

At the end of the financial year, Pilgrims was invited to the Marshes Integrated Neighbourhood Group to advise and assist on an issue in the Marshes with identifying and supporting patients in the last year of life. Pilgrims agreed to work with them to provide Think, Talk, Act to two GP surgeries and be commenced in 2024-25.

Hospice Clinical and Education Collaboratives

Pilgrims has set up two further formal collaboratives across Kent and Medway. The Kent and Medway (K&M) Hospice Education Collaborative has representatives from all hospices across the regions to jointly review education, both internally and externally. They liaise with the ICB and Health Education England to bid for funding to provide End of Life care education to local Health and Social Care providers.

The Kent and Medway Nursing and Care Directors Collaborative again has representatives from all hospices across the region. This forum allows for peer support, sharing of good practice and joint working alongside a robust voice of hospice care across Kent and Medway. Pilgrims' Director of Nursing and Care is the current chair.

'The Need To Do Something' group

This group has been established by the clinical leads at the hospice to identify areas of collaboration to improve end of life care pathways across east Kent, in line with the "Nine Principles of Sustainability", which underpin many elements of Kent and Medway ICB Palliative and End of Life Strategy.

Following an initial task & finish approach, this group will then focus on mutual education and shared experiences, potentially through quarterly sessions. Details of this are to be determined by summer 2024.

In order to achieve this locality wide agreement, the East Kent Need to Do Something Group was set up and is led by the Medical Director of Pilgrims Hospices, alongside key professionals from east Kent including Lead GPs, EKHUFT colleagues, the KCHFT District Nursing team lead, EK Frailty team colleagues, South East Coast Ambulance Service and IC24 services, Urgent Adult Care Services, hospice services and the Clinical Lead for Kent & Medway and SE P&EOLC lead. There is additional support and representation at ICB Programme Director level.

Each member agrees to identify areas of collaboration and process or system improvement options within their own organisation, that will benefit the group and maximise the resources and skills of individual members and teams within east Kent, with the aim to improve EOL care to our patients. Members will report activity from the collaboration to their respective Boards in the usual way.

In particular, there will be a key focus on:

- Working with health and social care providers to deliver the Kent and Medway ICB Palliative and End of Life Care Strategy and strategies that relate to each individual service and their communities in east Kent.
- To collaborate on the practical aspects of the delivery of palliative and end of life care locally.
- To identify any other support services/functions that could be used collaboratively to maximise delivery of Palliative and End of Life care to patients and families across east Kent.

Virtual wards

The Hospice is represented on the Strategic Committee to develop and roll out Virtual ward beds in east Kent. These beds are supported by EKHUFT medical and nursing staff, with the aim to prevent admission to the acute sector and facilitate earlier step down discharges. The hospice is committed to support end of life and/or rapid response, as long as appropriate and sustained funding is provided and staffing levels allow.

Single Point of access (SPoA)

The Hospice is working closely with all other specialist palliative care providers in east Kent and Medway, at CEO and Clinical & Medical Director level. All providers are committed to supporting

the ICB in the rollout of a SPoA and contributing with Senior Medical Advice and Hospice at Home / rapid response support for complex patients at the end of their lives who are not yet known to the hospices. No further progress has been made on sustained and ringfenced funding for specialist palliative care. The deadline of the SPoA start has been postponed twice and no date has been confirmed or funding for hospice services agreed. However, as outlined above, the hospice is an integrated partner of the clinician led and currently non-ICB supported SPoA in Thanet and Ashford.

Stepping Stones Bereavement Service

The Stepping Stones Bereavement Service has expanded with the development of three walking groups, one in each locality. The demand for this service continues to grow and a co-ordinator post was recruited to support the recruitment and management of additional expert volunteers. Further expansion of this service is planned in order to support more bereaved people across east Kent. In addition, a new initiative of retail volunteers manning bereavement help points in Pilgrims shops is planned for 2024-25.

Equality, Diversity and Inclusion (EDI)

Pilgrims Hospices is committed to addressing health inequalities affecting the delivery of its services and established the Equality, Diversity and Inclusion (EDI) group as a means to deliver this commitment. The purpose of the group is described later in this report. During 2023/24 the group oversaw the development of Advanced Care Planning for people with learning disabilities as part of a joint venture with the KCHFT Learning Disabilities Team.

A project was also started with the Nepalese community and will continue in 2024-25, with the aim of understanding the needs of the community and how Pilgrims Hospices might support them with Advanced Care Planning, end of life and bereavement care. Hospice materials are being produced in large print for service users with sight impairments. Our Therapy Centres continue to integrate celebration of inter-faith and support festivals, holidays and focussed weeks, for example, 'Time to Create' sessions have expanded to include multifaith focus, celebration of different festivals etc. We relaunched collaboration with Porchlight, supporting the homeless community in east Kent following COVID-19; this has become business as usual now. The EDI group has developed a Service User diversity monitoring form, to be launching in April 2024. This form will enable us to understand who we are caring for and highlight any healthcare inequalities for those accessing our services. Equality Impact Assessments are now embedded for use when developing new policies and practices to ensure that groups holding protected characteristics are not disadvantaged. New EDI training has been trialled and diversity content added to existing Clinical training programmes. EDI mandatory training currently sits at 94.8% compliance. In addition, the Training Manager completed an EDI train the trainer level 3 course, '*Inclusive leadership in healthcare*', '*Noticing and challenging microaggressions*', and '*Creating psychologically safe and inclusive workplaces*' through the NHS leadership academy.

Pilgrims representatives attended the Transgender Healthcare Conference 2023: Tackling Inequalities and Providing Support, in particular a session entitled 'Overcoming Barriers to High-Quality Trans Healthcare: The Latest Guidance and Updates'. This focussed on outlining and understanding the key factors that contribute to poor health outcomes for trans and gender-diverse patients. It included advice on improving the data collection and monitoring of gender identity to identify gaps in healthcare provision; Detailing plans to improve waiting times and the service experienced for transgender patients and measuring the impact of service improvements to understand successes and failures,

Objective Three: We will ensure clinical and financial stability through the achievement of a break-even position and by securing consistent and equitable statutory funding as well as identifying new ways to maximise commercial revenue.

During 23-24 we made good progress in working with the Kent and Medway Integrated Care Board

(ICB) to understand the funding required by Kent and Medway Hospices to continue to delivery services to their local communities. This resulted in a small uplift to our base grant and some further funding for specific projects to further develop Palliative and End of Life Care Services. Pilgrims also continued to invest in the development of its estate to ensure maximum value is realised from its existing assets. The charity is delighted to report that these efforts were successful.

Sustaining Voluntary Income:

As always, we are grateful for the support of our local community who have responded generously to our campaigns and appeals, who take part in our events, lottery activities, support us by purchasing items through our shops and donating pre-loved items of clothing and furniture. We are also grateful to the companies and trusts who support us and we would also like to thank everyone who leaves us a gift in their will. Without the generosity of our community we wouldn't be able to run our services.

Retail – At the end of the 2023-24 financial year, Retail had surpassed their five year projections set in 2020 and achieved a sales income of £5.4 million, up from £5.1 million the previous year, representing an increase of £300k on the previous year.

Over the last 36 months, the team have increasingly embraced social media as a way of individual shops interacting with the local communities in which they are based and by doing so have expanded their online trading platforms.

Fundraising – Pilgrims Hospices Fundraising teams have performed exceptionally well, despite the current financial challenges and have raised £1.080 million, which is £47k less than their original budget of £1.127 million and £37k lower than their reforecast budget of £1.117 million. This shortfall can be attributed to the extremely challenging economic climate. Some of the highlights include:

Community Fundraising – the three teams based at each hospice site have worked hard to maintain their community stewardship journeys to achieve a very credible end of year result. A highlight of the year was collecting over 3,000 Christmas trees and raising over £60k for the hospice and the success of much loved local fundraising initiatives, such as our Fairs, Colour Run and Santa Run.

Events – Events performed strongly during the year, particularly our flagship events (namely The Pilgrims Way Challenge and Pilgrims Cycle Challenge), which together generated over £240k. Now in its second year, our third Challenge event - Folkestone Downs - generated over £57k, which represents a £13k increase on 2022. Individuals undertaking personal challenges such as the runs, wing walks and parachute jumps remained strong, with London Marathon, in particular having its most successful year to date.

Corporate & Trusts – At the start of financial year we created a new Corporate & Trusts team to focus solely on this activity. In its first year, the team generated over £200k in income from business support partnerships and grant making funds. Much of the work in 2023-24 has been laying the foundations to boost income further and especially through Corporate Partnerships in 2024-25.

Individual Giving – Individual giving activities, including face-to-face In Memory events and campaigns, have generated slightly less than their original budget. Individual Giving's end of year income was £1.077 million against the original budget of £1.095 million. Our Always Caring programme, now in its second year, has generated £85k over the year from over 600 members. During the year, we received one sizable donation of £75k.

Lottery – The Lottery has been a consistent and sustainable source of income for Pilgrims Hospices. That said, 2023-24 has been challenging for the Lottery team, due to the national

shortage of lottery canvassers, which has impacted on their ability to increase the Lottery's membership. The team generated £1.18 million in 2023-24 and they are looking forward to a strong 2024-25.

Legacies – Legacy income has performed better than expected, and has generated £3.8 million, an increase of £600k and higher than budget. During the year the team continued to streamline our legacy administration processes and define key performance indicators to allow us to monitor income more accurately in future years.

Securing Additional Statutory Funding:

Throughout 2023-24 Pilgrims Hospices, in collaboration with other Kent and Medway (K&M) Hospices, continued to engage with commissioners regarding the need to achieve fair and sustainable statutory funding, in line with the national funding frameworks, which became enshrined in law within the Health and Care Act 2022

Discussions continue to be productive and some additional non-recurrent funding for 2023-24 was provided to Pilgrims. Our focus moving forward is to negotiate funding for core and specialist palliative and end of life care services in line with NHS national commissioning intentions guidance for Commissioners and Integrated Care Boards.

Estates Development:

Pilgrims Hospices has a significant freehold estate, which encompasses a number of retail units arranged over multiple floors. In order to ensure Pilgrims realises the maximum value of its assets, work has been undertaken to identify excess space within the estate and to explore value-generative options to develop these areas.

During 2023-24, we started planning work on a project to convert space above the charity's Broadstairs shop into two residential units. It is anticipated that this development work will be completed during 2024-25.

Additionally during 2023-24, following on from the issues identified in many schools, we completed surveys of our hospice sites to identify whether there was any Reinforced Autoclaved Aerated Concrete (RAAC) present. The inspections clarified that there was no RAAC present.

Objective Four: We will implement new ways of working across clinical and non-clinical services and day to day operations, both internally and externally.

Advanced Clinical Practitioners (ACPs):

Pilgrims Hospices recognises that workforce sustainability and ensuring the supply of suitably skilled staff, will be key to maintaining a high-quality service into the future. In particular, it has become increasingly difficult to recruit Specialty Doctors due to a shortage of supply across the wider healthcare sector.

In order to address some of these issues, Pilgrims developed Advanced Clinical Practitioner roles, to be recruited in three cohorts, with a total number of nine in post by 2024. The initiative has included opportunities for Trainee Advanced Clinical Practitioners, (those required to simultaneously study for a Master's degree and non-medical prescribing), and this has allowed us to successfully recruit to all nine posts.

Pilgrims has acknowledged the benefit of these posts and now plans to recruit to three Nurse Consultant posts throughout 2024, to further support the Medical team and ensure sustainable clinical leadership for the future. The hospice welcomes the development of a multi-disciplinary senior clinical leadership group.

Electronic prescribing and administration in the three inpatient units:

During the last quarter of the financial year, the hospice prepared for the change from prescribing on paper drug charts to an electronic system called 'e-Works', which is used by over 64 other hospices in the UK. This is a significant change in working practice across the medical and nursing teams in the three inpatient units.

Implementing electronic prescribing in an inpatient unit hospice can lead to a range of benefits, including improved patient safety, operational efficiency, regulatory compliance, data security and overall satisfaction for both patients and healthcare professionals. Significant reduction of drug related incidents is expected, resulting in time saved for line managers. These advantages can contribute to the long-term success and sustainability of the hospice unit.

The introduction of e-Works included not only training and education for all clinical staff, but also review of around 37 affected policies, liaison with EKHUFT pharmacy, adjusting the e-Works product to suit all three hospice sites, and to ensure adequate IT infrastructure was available throughout the hospice sites.

E-Works went live on 2nd April 2024, with a gradual transfer from paper to electronic administration and prescribing, (newly admitted patients were started on e-works). This allowed all clinical staff to gain confidence, detect issues that needed to be addressed as the system was used. The system was successfully embedded over a three week period, with a consistently high throughput in all three hospice units. All patients are now managed on e-Works.

Volunteering:

Volunteers represent a significant segment of Pilgrims' workforce, providing support across all areas of the charity's operations. Volunteer roles are varied, from shop volunteers, to receptionists, to volunteers providing support directly to patients and families.

Throughout the year we have embedded the Ward Volunteer role and developed Expert volunteers for the Wellbeing services. To support the Counselling service, we offer placements to student Counsellors in exchange for some volunteering hours once qualified. Many of these students have become long term counselling volunteers following this.

This year, Pilgrims submitted four nominations to recognise volunteer to the annual Hospice UK awards. Although our nominations were not selected this year our nominees were motivated by the recognition given.

Workforce Engagement

A number of mechanisms are in place to engage with staff and volunteers, including an annual Staff and Volunteer Survey operated by Birdsong Charity Consulting. This survey asks staff and volunteers about their views on a range of topics, provides a comparison with the wider hospice sector, and also provides an overview of how "engaged" respondents are compared to the national average. The results of this survey are summarised and shared with the Board of Trustees and wider organisation.

Pilgrims has a Local Management Team (LMT) in place at each hospice, which considers Claims, Concerns and Issues for their site, and which are in turn escalated to the Senior and Executive Management Teams. LMTs are also the primary method of cascading information across the organisation.

Following delivery of the 2022 survey, LMTs have taken responsibility for discussing the feedback with their local teams and proposing changes to our local workplaces. Key areas of focus highlighted in the survey include communications across sites and teams bringing consistency to local inductions, and providing timely support to each other during periods of high demand for our services. Both local and senior managers are developing plans to support improvements in these areas

The charity has effective policies and procedures for raising and escalating concerns, including the Grievance and Whistleblowing policies.

The Board of Trustees is assured and updated regarding workforce engagement and terms and conditions of employment developments via Board Reports prepared by the organisation's Executive Management Team. Trustees are represented on various committees which oversee aspects of engagement activity, including:

- The Remuneration & Workforce Committee, which considers pay, benefits and employee health & wellbeing and all policy development relating to both our paid and volunteer workforce.
- The Central Health & Safety Committee which is responsible for ensuring that working environments are safe and appropriate for staff and volunteers.
- The Clinical Quality and Governance Committee which ensures staff have the support needed to work safely and effectively.
- The Information Governance Group which ensures staff and volunteer data is protected and used appropriately.
- The Education & Training Group which ensures staff and volunteers have the necessary training and development to fulfil their potential.

“Board Walks”, where Trustees and EMT members tour Pilgrims facilities and speak with staff and volunteers have continued throughout the year, providing accessibility and visibility of the senior leadership team to the wider workforce.

The “Coffee and Cake” initiative where staff and volunteers can meet with the Chief Executive and Chair of Trustees in an informal environment has also continued, with slight changes to its format following feedback from staff and volunteers to make the sessions more accessible.

Our Board Walks and Coffee and Cake initiatives with the Chair and CEO give Trustees and senior leaders an opportunity to meet a wide range of staff and volunteers, to discuss matters raised at Board Sub-Committees and the Board of Trustees’ meeting and see the reality of the day to day operations on all of our sites.

Pilgrims Hospices has established an Equality, Diversity and Inclusion (EDI) group. The Group is represented by staff from all directorates and is responsible for identifying and prioritising equality, diversity, inclusion objectives and working to address related health inequalities affecting delivery and access to our services. The group monitors delivery and implementation of EDI, ensuring compliance with legislation and our statutory obligations including our Public Sector Equality Duty under our NHS Contract which can include making policy recommendations. The group reports to Nominations and Governance Committee biannually.

Our gender pay reports are published in line with the Equality Act 2010, and can be viewed on our website at: <https://www.pilgrimshospices.org/about-us/work-with-us/>.

Human Resources Information System (‘HRIS’) and Payroll Bureau

Due to the increasing cost and limited functionality of the previous HRIS, which had become a legacy product (no longer actively supported), the HR team managed a competitive procurement process to identify and select a new products. “Ciphr” was selected to provide a new HRIS, deliver Payroll Bureau services and Expenses processing. The HR and payroll team, supported by Finance and Business Intelligence, dedicated a large amount of resources this year to the set-up and delivery of these new systems, which went live in October. Further system development continues to expand functionality and simplify some administrative HR and management processes.

Human Resources team restructure

The HR team have taken advantage of turnover within the function this year and have redesigned

the team's shape, recruiting different skills sets to meet the needs of the business. An increase in part-time roles has seen an increase in the quality of candidates applying to join the team and we have now recruited a dedicated support role and payroll specialist role, freeing up the HR specialist to focus on higher-level tasks.

Recruitment Development

A number of changes to our recruitment processes and tools have seen a reduction in vacancies across the organisation this year. Professional recruitment packs and better-targeted vacancy adverts have increased qualified applicants to some key nursing roles and the introduction of pre-screening candidates in quarter four is adding value to the recruitment process and reducing the time required from our managers as they select new staff to join us.

Out of Hours working for Medical Staff

In quarter three, we consulted with our Medical staff to deliver a more effective and consistent out of hours service to support our wards and communities. Consistency in pay and rotas for out of hours working has simplified the administration of the service and has been welcomed by the Medical staff. Doctors are now paid for their out of hours work in line with the other clinical staff. The Community team are better supported by a clinical lead who frequently works in addition to the ward staff and the Medical team can therefore offer more home visits and outpatient assessments on weekends and bank holidays.

Fundraising team restructure

In the first quarter of the year, a new structure within the Income Generation team brought dedicated resource to Trusts and Corporate Donors and also aligned our Legacies work with our Individual Giving and Supporter Relations functions, finding efficiencies and improving consistency of approach to these key income sources.

FUTURE PLANS AND OBJECTIVES

During the last quarter of 2023-24 the Board of Trustees and EMT undertook a strategic review that took into account the achievement of past objectives, current challenges and opportunities and service developments across health and social care. The review saw the development of our three year 2024-27 "For Every Patient, Every Family, Every Time" Strategy. We have sought to build on the strong foundations of our current strategy, whilst being ambitious in our aspirations to further develop our clinical services and widening access to those that need our care.

As part of the strategic review planning process for 2024-25 the Board of Trustees and Executive Management Team reviewed our current strategy and how we can build on this for 2024 – 2027 and in particular focus on:

- Putting the patient and their family at the centre of all we do
- Maximise our influence and reach
- Grow our income to sustain our work
- Drive excellence and innovation through a dynamic workforce

Development of our Clinical Strategy

To support the implementation of our Clinical Strategy a business case was presented and approved by the Clinical Strategy Development Committee, Finance Committee and Board of Trustees for implementation in 2024-25. The initiatives outlined in the business case are summarised below.

Think, Talk, Act (TTA)

Early identification and advance care planning remain key 2024-25 priorities for both Pilgrims and the NHS. Work is in progress with Thanet CIC and the Integrated Neighbourhood Group for the Marshes in rolling out this model, however long term recurrent funding is an issue. An initial TTA team would enable us to be responsive to PCNs that want to pilot the programme and gain long term funding, building the teams as funding allows.

TTA would increase the number of patients who actively plan their care and engage with Pilgrims Therapy Centre (PTC) sessions. There would be a reduction in admissions to the acute trust with a multi provider package of care and support being planned and delivered in their preferred place of care and death.

TTA should engage with at least three times the current number of patients who are in their last year of life, leading to an increase in supporters.

To support development of Advance Care Plans (ACPs) a team of Expert Volunteers will be recruited and trained to work 1-2-1 with patients to develop their ACPs. Any one in east Kent would be able to self-refer to this service. An Expert Volunteer Supervisor will recruit, train and supervise these volunteers.

Development of Inpatient Unit Model

The current Consultant led Model is not sustainable due to pending vacancies and lack of workforce nationally. It is proposed to actively recruit three Nurse Consultants. This will ensure that Pilgrims has long term senior clinical expertise to support the Medical team and allow the Medical senior colleagues to actively support strategic developments. Pilgrims is actively recruiting for a sustainable middle grade medical workforce, following retirement and career progression of several colleagues, with new colleagues starting in August 2024..

Enhanced Community Service Provision

To better support the patient and their families with increasing complex conditions, it is proposed to develop a highly trained team of specialist nurses from Nurse Consultants, Advanced Clinical Practitioners, Clinical Nurse Specialists and Palliative Specialist Nurses.

This will ensure that Pilgrims has a responsive team that can provide specialist advice to patients and Healthcare Professionals, alongside practical clinical skills that will better support patients at home, reducing the need for admission to the acute hospital and enabling patients to remain in their home. They will be supported by the wider medical team, from middle grade speciality doctors to SpR to Consultant level as needed, as well as the other colleagues of the MDT.

Expansion of Stepping Stones Bereavement Service

Since Stepping Stones commenced in 2019, the need has continued to grow, despite the hiatus during the pandemic, where 1-2-1 telephone calls were undertaken instead of face to face group sessions.

Initially set up to support the family and friends of Pilgrims patients and help with demand on our counselling service, this initiative also offered support to families of those who died within the acute hospitals.

116 bereaved people have gained support from our Stepping Stones groups since January 2023 and we understand that there are a great deal of bereaved people across east Kent that would benefit from such support. There is little on offer across the region currently with CRUSE holding waiting lists.

It has always been a service ambition to offer this support to anyone who is bereaved across east Kent. To do this, the service requires some investment to ensure that we can recruit, train and supervise the Expert Volunteers whilst ensuring the co-ordination of the expanding face to face and walking groups. This work has previously been absorbed by senior team members and overtime/time in lieu until we funded a Co-ordinator on a fixed term contract. This post needs to be a permanent post alongside the recruitment of an expert Volunteer Supervisor, who will recruit, train and supervise the operation of Stepping Stones.

Expanding this service to all bereaved people across East Kent would also in turn help increase the number of supporters we have.

Compassionate Communities (building community capacity at the end of life)

The hospice recognises the role we have to play in achieving Ambition 6 of the Ambitions Framework - *Every community is prepared to help, and we will use our knowledge, expertise and position to influence the creation of a compassionate community across east Kent, increasing death literacy and expanding and enhancing community based assets that contribute to supporting people and times of crisis, death and loss.* To implement and co-ordinate the strategy there is a need to invest in some back-fill to allow Head of Psychosocial and Bereavement Services and the Spiritual Care Lead time to deliver this initiative.

Training and Education – PHC Centre of Excellence

To maintain and enhance the quality of patient care, it is imperative to invest in the professional development of the staff. The intention is to recruit a Band 6 Clinical Skills Facilitator to support the development and maintenance of advanced clinical competencies and compassionate care delivery.

The new post will be supported and managed by the Clinical Quality and Education Lead, and will work across the three hospice sites as required, to ensure equity of training across the organisation. This post would also collaborate with other healthcare professionals to provide multidisciplinary training internally and externally.

An external and internal education programme including specific target days, sharing of audit and research and ethical networking days will be the core work of the newly established education centre. In addition it is proposed to have a contingency for the use of flexi lecturers to enable the use of experienced staff who have retired or work reduced hours to deliver specialist education internally and externally.

Statutory Funding

A key objective for Pilgrims remains obtaining equitable, sustainable, statutory funding from the Kent & Medway Integrated Care Board.

During 2023-24, we continued to make good progress with the Integrated Care Board (ICB) who have acknowledged the need for a sustainable funding solution, and have committed to working with Kent and Medway on an appropriate funding model. However, the ICB continue to experience significant financial challenges in funding the many health care providers across east Kent.

Work is expected to continue throughout 2024-25, with a view to a revised grant agreement being put in place from April 2024.

Bed Appeal

In February 2024, we launched a £166k bed appeal to replace all 36 beds across all three of our hospice sites. This appeal is planned to run until Christmas 2024.

Canterbury New Build

In 2014 Pilgrims Hospices was approached by Pentland Homes and the Tory Foundation, offering to provide land as part of the planned Saxon Fields development for a new, purpose-built hospice in Canterbury, as well as a contribution to construction costs. As of 2022 the generous offer tabled by Pentland comprised the freehold title of the land and a £4 million donation. The donation was paid over in 2021-22 but the transfer of the freehold title of the land has yet to be completed. This has been delayed due to issues with the Saxon Fields development which are explained below.

During 2021-22, Pilgrims Hospices' Board of Trustees unanimously agreed to accept the offer from Pentland Homes and the Tory Foundation and to designate the donation to a fund which would help finance the building of the new hospice.

Since then, significant issues have occurred, outside our control, which have impacted the proposal and the expected timeline. We are now aware that housing and commercial developments within the Canterbury area are being affected by concerns about water quality at Stodmarsh Nature Reserve near Canterbury. These concerns have been prompted by new Government guidance protecting the water quality in ground water, lakes and rivers from nitrate pollution. This is affecting new build sites across the UK and not just in east Kent and has paused planned construction on these sites as experts try to design and deliver solutions that will minimise the impact of housing developments on water quality.

We anticipate that this will delay the new build project further, potentially by up to 2 years, and as a result we are currently considering contingency options.

We remain committed to delivering a fit for purpose hospice facility that will provide sustainable hospice care in Canterbury.

Canterbury New Build – Capital Appeal

In support of the new build, Pilgrims Hospices' Income Generation Team will be undertaking a capital appeal to raise in excess of £2 million to fund the fit-out costs of the new build. When the capital appeal is launched, it is expected that it will run for a period of 3 years.

London Road Development

As it is anticipated that the Canterbury new build project is likely to be stalled for some time, the impact of this will be that we will need to maintain the existing operation at the site in London Road many years beyond what had originally been intended.

It was felt by the Trustees to be crucial to ensure that the existing hospice site should remain safe and compliant by completing a range of proactive work in key areas to improve the fabric of the site. This work will be completed during 2024-25.

In addition to completing this work, the charity has committed some additional funds to be spent in the main hospice building to improve the patient and visitor experience and clinical effectiveness.

We are currently working with the clinical team to develop plans for a number of projects that we anticipate being delivered throughout 2024-25.

Canterbury Appeal

The Income Generation Team will be working closely with the Non-clinical Operations Team to raise funds to support improvements to our Canterbury hospice, as noted above. Potential projects are creating a Patient and Family Support Room, introducing air conditioning to the inpatient unit and updating the single patient rooms.

Thanet Hospice Refurbishment

Prior to the pandemic, Pilgrims was planning a large-scale refurbishment of our Thanet hospice. This project was put on hold due to the pandemic.

In the medium-term, the refurbishment work is still important, as the building is over 30 years old and has the layout and features of a typical NHS facility. The demand for Pilgrims' services is continuing to grow and the type of care required has continued to change. Learning has also been taken from the COVID-19 pandemic, which has resulted in radical changes in operational best practice, and which will be incorporated into a refurbishment.

Recognising that a full refurbishment may still be some way off, the charity has committed funds in the short term to improve the environment for patients, carers, visitors, staff and volunteers. Work on an 18 month project to improve our Thanet hospice started during 2022-2023 and three projects were completed in that year

A further three were completed in 2023-24. These were:

- Balcony improvement project that now allows patients to enjoy the outside space on their bed, protected from the weather and with heating provision.
- Alterations to our Therapy Centre reception space, making it more welcoming and comfortable.
- The renovation of two patient rooms to make them feel more homely and modern

The work completed so far is already making a significant difference to the patient and visitor experience on the site.

Given the impact delivering these projects has had, the charity has committed further funds over the next two years to continue the improvements across the site.

STRUCTURE & GOVERNANCE

Pilgrims Hospices is governed by a Board of Trustees numbering not less than five and not more than eighteen. As at 31 March 2024 there were eight trustees, following the resignation of Stefano Cuomo earlier in March 2024. The Board of Trustees governs in accordance with the Articles of Association and Trustees bring relevant experience and skill sets from a variety of sectors, as determined by a regular skills audit, from which recruitment is driven. Over the period of this report, the sectors include, for example, clinical, business and legal experience

New Trustees are appointed initially by the Board following a formal process which includes interviews by the Nominations and Governance Committee and by the Chair leading to a recommendation by the sub-committee to the full Board. Applicants are sought from publicly advertised vacancies. Successful applicants are subject to election by the Members at the next Annual General Meeting following their appointment. Procedures are in place and regularly reviewed for Trustee induction and development. Trustees are required to complete mandatory training and a full induction to the charity is given to new trustees on and shortly following their appointment.

Trustees are appointed for an initial three-year term and may be re-appointed for two further three-year terms. A Trustee who has served for 9 years can only be re-elected by unanimous resolution of the members and for a term not exceeding 2 years.

The Board normally meets four times a year to review strategy and performance and is supported in its work by a number of trustee-led sub-committees.

The Board recognises that good governance is essential for the success of the charity and has made good progress in developing its governance policies and practices in line with the principles set out in the Charity Governance Code for larger charities. The Nominations and Governance Committee continues to review progress with the full implementation of the Code through an action plan developed from the diagnostic tool made available from the Charity Commission.

Committees

Board committees have delegated powers of responsibility but executive authority is retained by the Board. They are chaired by a Trustee, have written terms of reference and provide linkage to

the main Board and support to senior management. Trustees are selected as committee members having regard to their skills, knowledge and expertise and committees may include appropriately qualified individuals (thinking partners), who are not trustees, co-opted from outside the charity. Members of the Executive Management Team also attend committee meetings relevant to their professional area of expertise. Each Committee reports to the Board on any major issues discussed, with recommendations where decisions are required. Minutes of Committee meetings are circulated to the Board as a whole and each Committee identifies areas for consideration by other committees thus ensuring no Committee works in isolation.

The Finance Committee oversees the finances of the charity and its subsidiary company. It is responsible for reviewing and recommending to the Board the financial strategy along with the annual budget and monitors performance against these. The Committee also oversees the strategy for investing funds and keeps the Board informed of relevant general changes in the financial environment. It reviews risk plans and corporate risks relating to finance, investment and audit.

The Income Generation Committee supports all fundraising activities of the charity, as well as communicating the hospices' vision, mission, and services to patients, carers, healthcare professionals and the public. It reviews the fundraising plans and retail strategies before referring them to the Board for approval, as well as monitoring risks relating to Pilgrims' income generating activities.

The Clinical Quality and Governance Committee provides oversight and assurance to the Board of Trustees that the clinical compliance and regulatory standards in our contracts with the ICB and Care Quality Commission are met. It ensures that the Clinical and Nursing and Care Services delivered by Pilgrims Hospices are subject to continual and regular review and improvement, and that the safety and care of the patients is a priority for all staff. The Committee monitors and reviews matters of escalated clinical governance and quality assurance activity and processes. It explores learning outcomes and opportunities and ensures adequate assurance on the implementation of key control and action plans in response to trends and anomalies in data reporting. The Committee reports directly to the Board of Trustees on matters as appropriate.

The Major Projects Committee considers the current and future real estate requirements of Pilgrims Hospices and progresses the proposed projects in line with the strategy and budget approved by the Board of Trustees. The Committee considers the current and future operational needs of Pilgrims Hospices and how these needs could best be addressed.

The Remuneration and Workforce Committee reviews terms and conditions of employment, sets overall remuneration policy and oversees the development of workforce strategy. The Committee recommends annual pay awards to the Board of Trustees as well as monitoring risks relating to Pilgrims' workforce, recruitment and retention.

The Nominations and Governance Committee considers the corporate governance of the hospice. It reports to the Board of Trustees on any changes that may need to be made in order to comply with legal and regulatory requirements. It reviews the Board's skills mix and capabilities and makes recommendations on nominations for new membership to underpin the Board's capability and diversity and to provide robust governance and directorship of the hospice.

The Clinical Service Development Committee considers the development of clinical service proposals and service redesigns in line with the charity's agreed clinical strategy. The Committee ensures that any service development takes place in line with Pilgrims' charitable objectives and is sustainable from both a financial and service perspective. The Committee considers the needs of all stakeholders when developing service proposals and monitors risks relating to both service development and the wider Health and Social Care environment.

The Chief Executive and the Executive Management Team have delegated authority to manage the charity's operations on a day to day basis, within the annual budget approved by the Board of Trustees. They have the specific skills and experience to enable them to fulfil their roles and report progress on this at the quarterly Board meetings and through financial reports to the trustees.

In addition, the Executive Management Team meet formally quarterly to review all activity and adherence to the overall business plan. The output of these meetings and discussion points are disseminated throughout the business at regular management meetings. There is a flow of communication throughout the organisation which is cross functional and cross site with local issues managed at Local Management Team meetings. Issues can be escalated to the Executive Management Team and, where relevant, to the Board of Trustees. In addition, there are regular functional specific meetings with reviews of critical activity. This, together with additional weekly operational meetings, ensures that there is a robust management of the day to day running of the hospices.

Remuneration

The remuneration of key personnel is reviewed on an annual basis by the Remuneration and Workforce Committee, as part of its review of salary levels across the charity. This review ensures that remuneration is competitive within the charity and healthcare sector. The Committee considers a range of factors including increases in the national cost of living and the position of comparable organisations and wider healthcare and charity sector, as well as the current financial position of Pilgrims Hospices and the affordability of any increase. Every three years Pilgrims Hospices undertakes a full review of the duties, responsibilities, level of expertise and salaries of all posts across the charity. This information is compared with the lower quartile to median salaries of comparable posts for organisations with a similar overall income in the Third sector.

In 2023-24, two separate pay awards were made. Firstly, a fixed percentage to all staff at the beginning of the year, and then a second increase was awarded to Medical Consultants in October, as a response to pay rates increasing in the NHS (being our primary source of pay benchmarking in the healthcare sector).

A “trivial benefit” in the form of a gift voucher was awarded to all staff before the Christmas holiday period and was received very favourably again, with staff feeling valued and motivated by the gesture.

The introduction of an Overtime Policy on our wards has increased the pick-up of vacant shifts by our employees and has seen a reduced demand for agency workers, who are both expensive and unfamiliar with the Pilgrims ways of working.

Trustee Responsibilities

The Trustees (who are also Directors of Pilgrims Hospices in East Kent for the purposes of company law) are responsible for preparing the Trustees’ Annual Report (including the Strategic Report) and the group 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 charity and the group and of the incoming resources and application of resources, including the net income or expenditure of the group for the year. In preparing those financial statements, the trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records which disclose with

reasonable accuracy at any time the financial position of the charity and the group and which enable them to ensure that the financial statements comply with the Companies Act 2006.

Fundraising practices

The Charities (Protection and Social Investment) Act 2016 requires Pilgrims to provide extra information in its annual report about its fundraising activities. In particular, any agreements with professional fundraisers or commercial participators as well as providing information on compliance with voluntary fundraising regulations.

We are committed to following the highest ethical standards and ensuring a quality supporter experience. We have detailed policies and procedures in place that align with fundraising practices and guidance that are set by the Charity Commission, Fundraising Regulator and Gambling Commission.

This helps ensure all Pilgrims fundraisers, and those who work on our behalf are aware of, and adhere to, our high standards. Some of our fundraising activity is conducted on our behalf, by carefully selected professional fundraising agencies. We occasionally work with agencies to telephone existing supporters to talk about their donation and, on some occasions, to ask for a further donation. We monitor their work through call listening.

The charity is also mindful of the General Data Protection Regulation (GDPR) and has a Privacy Policy and a named Data Protection Officer. Pilgrims uses a Customer Relationship Management (CRM) systems to record all donations to ensure appropriate levels of communication are maintained. Fundraising activities are monitored by a team of managers, the Director of Income Generation and Marketing, the Chief Executive Officer, the Income Generation Committee and the Board of Trustees.

During the year there were no incidences of non-compliance with fundraising and voluntary regulations set by the Fundraising Regulator. Pilgrims Hospices Complaints Register recorded 10 complaints from the general public, in relation to its income generation activities, all complaints were resolved satisfactorily.

Business relationships with suppliers

Having good business relationships helps to ensure the smooth running of the charity and Pilgrims is committed to establishing fair working practices with all suppliers, whilst delivering best value for the beneficiaries of the charity. The charity regularly reviews contracts with key suppliers and their performance in delivering the purchased goods and services. Payment terms are agreed with all business partners and where appropriate Service Level Agreements (SLA) are used. Pilgrims' Retail staff and volunteers are provided with training in customer service, handling complaints, and how to deal with difficult situations to assist them in providing the best service possible to customers. Refunds are provided for all goods returned within 14 days in the same condition as when sold, no matter what the reason for return. The charity recognises that sometimes things go wrong and Pilgrims Hospices has established a Complaints Policy for use by any individual about any aspects of the charity's services or work (for example staff, volunteers, patients, carers or members of the public). The policy is governed by a process which ensures all complaints are reviewed and addressed appropriately which is also published on the Pilgrims Hospices website.

ENVIRONMENT

Pilgrims Hospices recognises that the protection of the natural environment and establishing an environmentally sustainable model of operation is essential to the long-term welfare of the charity's beneficiaries and the wider community. Pilgrims is committed to minimising its impact on the environment, including through reducing energy consumption, maximising opportunities for recycling and making sustainable procurement decisions.

In addition to environmental benefits, increasingly sustainability provides direct and indirect financial benefits, primarily through reduced costs, but also through an increased and positive reputation.

In 2022-23 we introduced our first Environmental & Sustainability Strategy to support our policy.

The 3 main pillars of the strategy are:-

- Energy & Water Management
- Waste Management
- Travel Management

These pillars are supported by two key foundations – the culture of our staff and volunteers and the investment that may be required to deliver the strategy.

Sustainable Energy

At the end of 2022-23 we undertook a project to install 116 solar panels at our Ashford Hospice site. The cost of this project was funded by two extremely generous donations.

This was our first sustainable energy project. It is anticipated that this project will provide around 20% of the Ashford hospice's electricity usage and will save 10.43 tonnes of CO2 emissions. This is equivalent to planting 479 trees a year for the duration of the 25 year life span of the solar panel system.

In 2023-24 we continued to expand our sustainable energy approach by installing a 66 solar panel system at our Thanet hospice site. Once again, as with the installation of solar panels at our Ashford hospice, we were fortunate enough to have the cost of the installation funded through a very generous donation.

As part of our Environmental & Sustainability strategy we will continue to look for other opportunities to expand our use of sustainable energy.

Energy

Pilgrims uses energy in the form of gas, electricity and fuel for vehicles. Much of the charity's energy consumption relates directly to activity, and therefore overall levels of energy use have historically trended up as the overall level of activity the organisation undertakes has increased. However, the charity is working to mitigate the impact of increased activity through investments in energy efficiency such as sustainable energy projects, LED lighting and insulation, as well as encouraging the adoption of energy-conscious behaviours, such as vehicle sharing and these approaches can be directly linked to the reduction in gas and electricity usage in 2023-24.

Audit

During 2023-24 we undertook a number of external energy audits on our hospice and retail sites to better understand our energy efficiency and identify what improvement opportunities there were.

We completed Phase Three of the Energy Saving Opportunity Scheme (ESOS) at a range of sites across our estate. ESOS is an ongoing piece of UK legislation which was designed to help the UK lower its carbon emissions and comply with European legislation passed in 2010.

In addition to ESOS we completed Net-Zero audits at our main hospice sites in Thanet and Ashford.

A number of opportunities have been identified to improve our energy efficiency and these will be prioritised and actions taken to address these in the coming months and years.

Reducing Waste

Pilgrims Hospices has comprehensive waste management contracts which ensure that the charity can maximise the volume of waste material which can be recycled, limiting material that ends up in landfill or incineration.

In addition to general waste management, specific recycling programmes have been put in place for both metal and used cooking oil, which see these materials sold for re-processing. In addition to being environmentally sustainable, these programmes are also income generative, realising funds to support the charity.

The organisation's extensive network of charity shops also support sustainability locally, providing an avenue for local residents to donate their unwanted personal possessions, diverting many of these items from household waste streams.

During 2023-24 we continued to explore a number of waste reduction schemes that included:

- Recycling our kitchen waste oil which is turned into bio diesel.
- Removing all single use plastics from all areas of the organisation.
- Created stronger links with local organisations/food suppliers who donate many free food products, which reduces costs and the mileage footprint of our catering operation.
- We now have kitchen gardens on all our hospice sites. These gardens are providing the hospice with fresh, seasonal produce throughout the year.
- We have introduced paper carrier bags across our retail operation.

Streamlined Energy & Carbon Reporting:

The Streamlined Energy and Carbon Reporting Regulations require Pilgrims to make the following disclosures in relation to energy consumption.

This is the fifth year that the charity has collected this data and the below table provides a comparison to the 2022-23 data. This comparison shows an overall a decrease in overall energy usage for 2023-24, mainly due to the introduction of renewable energy approaches at two of our heavy usage sites and improved energy reduction focus. However our travel usage has increased due to continuing the extension of our community work and continued retail growth.

The organisation achieved Phase Three ESOS compliance in March 2024 and has taken significant steps towards reducing energy use across our estate, ranging from LED lighting solutions to major renewable energy projects.

While some opportunities do exist to reduce energy use and drive energy efficiency, these are limited. Specifically, the sites which would benefit most from investment in energy are sites where such investment is not commercially viable, including or shops which are occupied on short-term leases and where Pilgrims is not responsible for the fabric of the building. It is also anticipated that developments across the organisation may increase overall energy during the medium-term, including an increase in community-based clinical activity, and continued expansion of the retail logistics division.

Energy usage in 2023-24 and comparison to 2022-23

Measure	2023-24	2022-2023	% Change
Gas Usage CO2e	304.3	329.4	-7.6%
Gas use intensity KWh per m2	200.5	214.9	-6.7%
Gas use intensity CO2e per m2	36.6	39.6	-7.6%
Electricity usage CO2e	170.9	189.1	-9.6%

Electricity use intensity KWh per m2	80.1	86.4	-7.3%
Electricity use intensity CO2e per m2	16.6	18.3	-9.3%
Travel Data CO2e	137.5	115.5	19.0%

Notes on Preparation:

The above data includes all Scope One and Two emissions as defined by the Greenhouse Gas Protocol. Scope Three emissions relate to emissions generated by third parties, are largely beyond Pilgrims Hospices' control and sit outside of the SECR requirements, and as such have not been included in the above figures.

Greenhouse gas (GHG) emissions have been calculated using the UK Government GHG Conversion Factors for Company Reporting 2023. Condensed carbon conversion factors dataset and emissions are presented in tCO2e (tonnes (t) of carbon dioxide (CO2) equivalent (e). For buildings, an energy intensity metric of kWh per m2 has been identified as the most appropriate measure, using data from annual energy bills. When calculating intensity ratios for gas, only premises with an installed gas supply were included when calculating the total square metres used.

The above reported figures do not include usage for premises where the organisation has service agreements and/or is not charged for energy usage as a tenant due to a lack of access to this data.

Information regarding the size or type of fuel used in employees' personal vehicles is not available. CO2e has therefore been calculated for claimed mileage, using the "average" personal vehicle and "unknown" fuel types.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees regularly assess the risks and uncertainties to which the charity is exposed. The approach to risk is in accordance with a Risk Management Policy. A formal risk register is in place and the Trustees have adopted a risk management strategy whereby those risks are identified, the level of risk is assessed and systems for ameliorating them are put in place and regularly reviewed. The Board of Trustees reviews the risk register at their quarterly meetings.

The risk register is reviewed quarterly at a meeting of the Executive Management Team and each member thereof, in turn, is responsible for managing identified risks, identifying further risks and reporting these upwards to the Trustees for review. Sub-committees of the Board of Trustees, whose members comprise those with the skills and knowledge specific to the risks under review, report regularly to the Board as described above.

The risk register captures and categorises the risks across five broad areas of Pilgrims' activities namely, governance, operational, financial, external and environmental. The overriding risk to Pilgrims is the inability to deliver its mission statement, but this risk will have causal risks arising in the five areas noted above.

Financial risk includes the loss of income arising from a loss of reputation and the Trustees also recognise that the charity relies on two material amounts of funding arising from legacies and the NHS grant. Action is being taken to encourage the continued flow of legacies. At the time of writing, the key financial risk was in securing adequate levels of statutory income. Pilgrims maintains a strong relationship with the NHS to secure the continuance of the grant, and is in discussions with Commissioners, along with other local area hospices, to determine an appropriate level of funding apportioned to those providing end of life care, in line with Commissioning Frameworks. However, although there has been regular engagement with Commissioners during 2023-24, the funding pressures experienced by the Integrated Care Board have prevented Commissioners from being able to confirm funding arrangements for future years beyond 2024-25.

Operational risks at this time include the difficulties in being able to recruit and retain suitably qualified staff and volunteers and this particular risk is also faced by many parts of Health and

Social Care. Currently Pilgrims has a near full complement of clinical and support staff. There are however continued challenges in recruiting Consultant grade doctors and specialist registered nurses, reflecting a national problem amongst hospices providing end of life care due to the scarcity of doctors at this level in this area of specialism and the scarcity of qualified nurses.

Workforce risks have a knock-on effect on other operational risks, in that they impact on the provision of appropriate, safe levels of staffing and also on health and safety practices more generally. For the time being there are no concerns over safe staffing levels but the Board and the Executive Management Team continue to monitor the situation.

The heightened threat from cyber-attacks means that cyber security and the maintenance of secure IT services is now a ubiquitous risk in the risk register.

As work progresses on the project to build a new hospice at Canterbury, risks relating to this project are now beginning to feature more prominently in the risk register.

RELATED PARTIES AND RELATIONSHIPS WITH OTHER ORGANISATIONS

None of the Trustees receive remuneration or other benefit from their work with the charity. Trustees are able to claim any reasonable out-of-pocket expenses, incurred in the course of conducting the charity's business.

Trustees and senior managers are required to declare any interests that they may have outside of the charity. Transactions and contractual relationships with related parties must be disclosed.

Pilgrims Hospices in East Kent has three wholly owned subsidiaries. All are registered in England, are limited by share capital and have as their registered office 56 London Road, Canterbury, Kent CT2 8JA. Two of the subsidiaries are now dormant and the third operates as a trading company, transferring its taxable profits to Pilgrims Hospices in East Kent.

Hospice Shops Limited (No. 1623758, director K Warden) is now a dormant company.

Pilgrims Hospice Lottery Limited (No. 3130167, director K Warden) is now a dormant company.

Pilgrims Hospices Trading Limited (No. 07993259, director K Warden) handles the taxable trading activities of the charity, other than the running of the charity shops, and, along with the charity, is registered for VAT under a group registration scheme.

The charity is registered with a number of regulatory bodies, including the Charity Commission, Care Quality Commission, Fundraising Regulator, Gambling Commission and Information Commissioner's Office.

The charity is a member of Hospice UK, an umbrella body which supports hospices throughout the UK.

FINANCIAL REVIEW

The Statement of Financial Activities for the year is set out on page 35 of the financial statements. A summary of the financial results and the work of the charity is set out below. Note 22, which supports the Statement of Financial Activities on pages 62 to 64, shows how funds have been received and applied during the year.

During the year under review, the net movement in funds was a surplus of £1.687 million after investment gains of £891k compared to a surplus of £912k, after investment losses of £313k, in the previous year.

Our income generation activities from donations and legacies raised £5.024 million (2022-23: £4.745 million) representing an increase of £279k compared to 2022-23, The result in 2023-24 is a notable achievement from the Pilgrims fundraising teams and builds on a good result from the previous year.

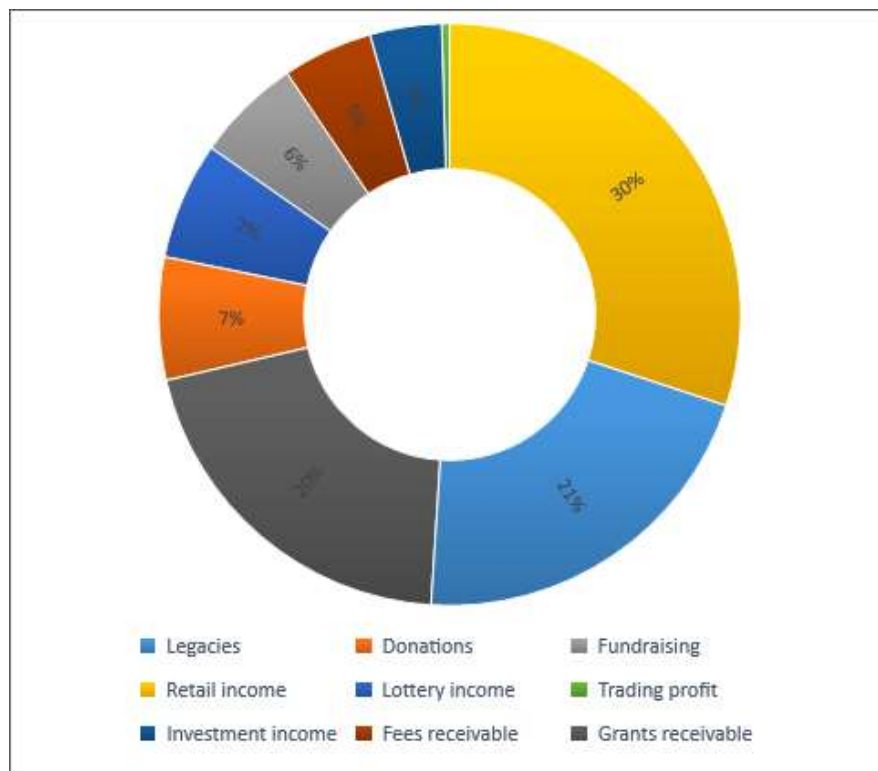
Legacy income was just under £3.8 million for the year. This was £400k higher than the figure for 2022-23 and a very good result and continues the well above average annual legacy income earned pre-pandemic.

The Retail operation, as mentioned above, performed exceptionally well during 2023-24. The Retail operation delivered a profit of £2.3 million on income of £5.4 million compared to net profit of £2.3 million on income of £5.1 million in the previous year. This was a good result in the face of continued difficult trading conditions in the high street and increased staffing costs as a result of the introduction of the new National Minimum Wage rates in April 2023, as well as the recruitment of some additional Retail posts.

The Lottery remained strong with a turnover of just under £1.2 million and produced a net profit of over £650k. This was £90k lower than in 22-23, however in that year expenditure decreased by over £100k mainly as a result of a national shortage of canvassers to recruit new Lottery players.

The grant from the local NHS Integrated Care Board (ICB) under a service funding agreement amounted to £3.7 million, approximately 21% of total running costs. From April 2023 onwards, some further funding was provided by the ICB for additional beds across the three sites, under a winter beds arrangements to free up capacity in the local hospitals. This funding ceased after August.

Set out below is a chart showing how diverse our sources of income are, but also demonstrating that in 2023-24 retail income comprised the largest percentage.



Overall expenditure rose by 11.5%, from £15.515 million to £17.294 million. The increase was in the main the result of staffing cost increases, including the introduction of the new National

Minimum Wage rates from 1 April. The Executive team increased by one staff member, with the appointment of the new Medical Director. Prior to this the post had been occupied by a colleague of secondment from EKHUFT. Furthermore, increases in clinical staffing were implemented to keep in step with NHS rates introduced in the year. As well as these rises, utility costs also increased significantly in the year and the refurbishment projects at the Thanet hospice also added to expenditure in the year.

The investment portfolio performed strongly in the year, earning an unrealised gain of £795k. The value of our investment properties also increased in the year, by £96k.

Reserves Policy

The Trustees review their policy each year. In conducting their review they take into consideration best practice and the guidance issued by the Charity Commissioners.

In considering the reserves position, the Trustees review:

- that provision of this type of care involves ongoing running costs, currently in the region of £12.8 million per year, around two thirds of which has to be derived from voluntary sources;
- over 85% of this amount is directly invested in providing these services;
- there is a requirement to provide assurance to those who give so generously that the Trustees will be able to continue to provide patient care to meet the ever more demanding needs of the community;
- the income generation activity has an annual cost to the charity of approximately £4.5 million and accordingly we need to generate approximately £17.3 million per year, in a normal year.

The charity has the following categories of reserves:

Designated Reserves

'Fixed assets fund' holds the fixed assets used by Pilgrims to provide the facilities for the patients, their families and carers. Designated reserves include the Canterbury Hospice Fund, which was been set up in 2021-22 as a fund into which was placed a donation of £4 million from Pentland Homes and the Tory Foundation. Trustees have designated this donation as funding with which to design and build a new hospice in Thanington. Other income funds raised specifically for the project will also be allocated to this fund.

Restricted Reserves

These are reserves only available for expenditure in accordance with the donor's directions.

Revaluation Reserves

These represent the accumulated gains in revaluation of investment properties.

Free Reserves

These are retained by the Trustees to give assurance to those who use Pilgrims' services and those who give of their time and money, that the Trustees will be able to sustain their commitment to provide specialist palliative care services to patients and support to their families and carers. The reserves are set at a level to withstand any short-term setback, whether operational, in the investment markets, or in key sources of income such as legacies. Liquid free reserves at 31 March 2024 stood at £16 million (2023: £14.6 million) which includes £9,275,000 (2023: £8,471,000) invested in quoted investments but excludes designated funds and £4,400,000 (2023: £4,300,000) in investment properties. The Trustees have agreed that the total of free reserves, i.e. those that are not used in the day to day operation of the charity, must be sufficient to cover around five to six months operating expenditure and in the light of the uncertainties experienced during the coronavirus pandemic, the Trustees consider this level of reserves to be appropriate.

The Trustees recognise that the actual level of free reserves carried to date is significantly higher than the agreed minimum. However, they consider that in the present circumstances of a difficult economic climate, with energy costs still high, together with uncertainty over the level of funding Pilgrims can expect from the Integrated Care Board, at the point the charity is about to embark on a

major capital project, maintaining a sizeable level of free reserves is prudent and necessary in order to be certain that Pilgrims can maintain a high standard of patient care.

INVESTMENT POLICY AND PERFORMANCE

At the end of the year there was £11,868,000 (2023: £10,903,000) available in cash and near cash, (in the form of short terms investments). At current financial levels of expenditure the charity requires on average around £1.4 million per month to cover running costs, including fundraising costs. However, when the need arises, the charity is able to liquidate medium term investments very quickly. As at the 2023-24 year end, the balance of the reserves is held in a portfolio comprising properties, government and other fixed interest securities and equities. The Trustees recognise the need to spread the investment risk in managing the reserves. They also acknowledge that investments should look to take into account, where possible, social, environmental and ethical considerations. For this reason the Trustees have stipulated that there should be no direct investment in tobacco manufacture and armaments production.

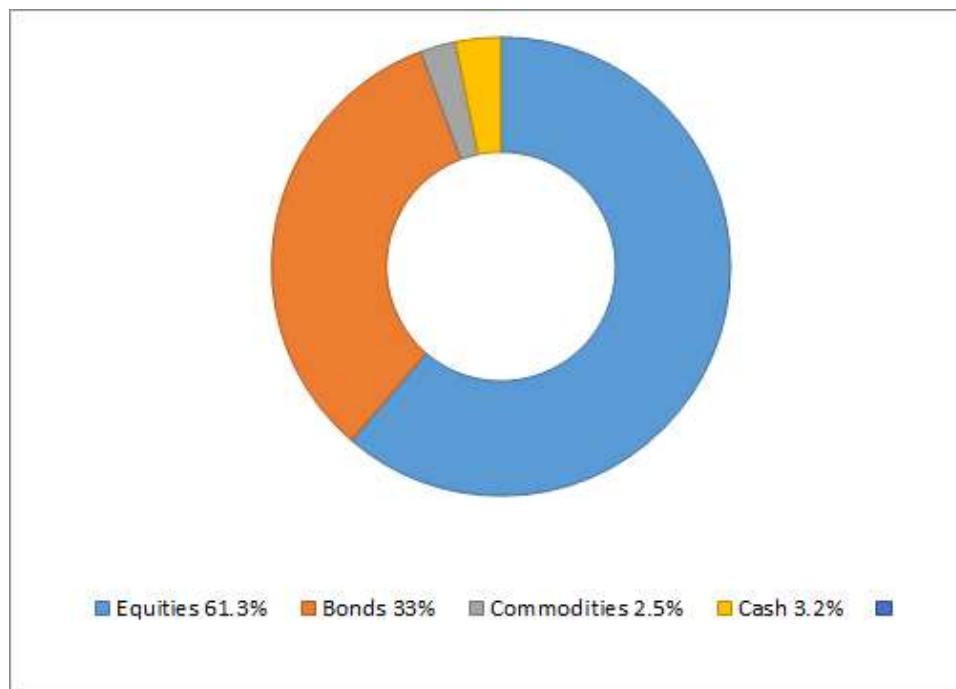
The investment properties comprise residential properties that the charity has inherited or acquired and which the Trustees retain, having taken appropriate advice, as they provide potential for capital growth and income. The Trustees are confident that, having taken advice, the carrying value of the properties at £4.4 million, a surplus of £2.9 million over acquisition value, is an accurate reflection of their market value as at 31 March 2024.

The general investment policy for the investment portfolio, adopted by the Trustees and managed by the investment advisers, Coutts & Co, is to grow the investments above inflation whilst receiving an income, in the context of achieving these objectives in a time horizon of 5 to 8 years and within a risk category of medium to medium high. The Coutts portfolio manager actively monitors portfolio volatility and discusses the risks with Trustees at regular portfolio meetings.

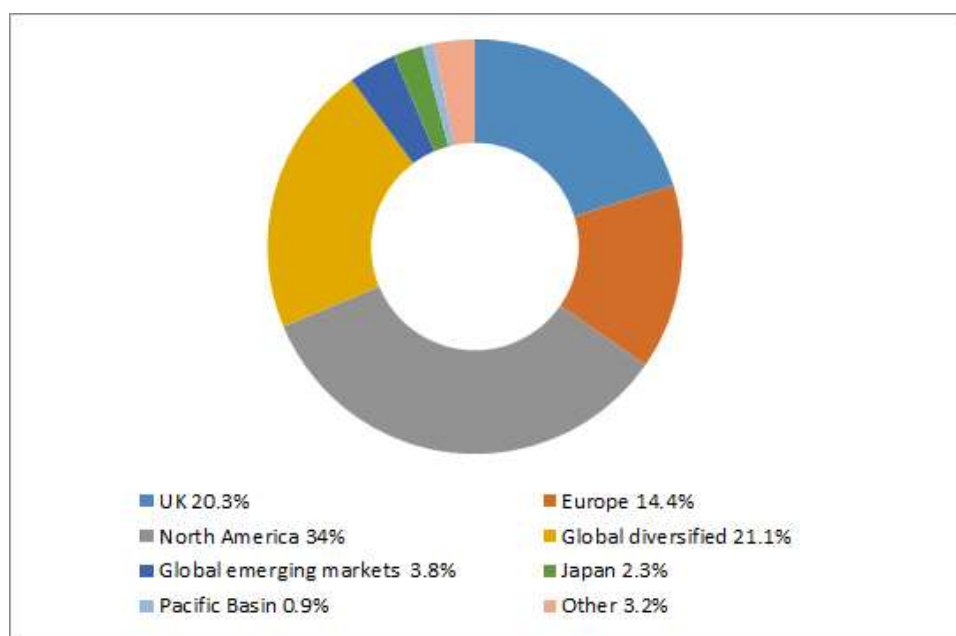
Coutts report that in the 12 month period to 31 March 2024 the weighted net return on the portfolio was a 11.81%, compared to a negative return of 5.2% for the 12 months to 31 March 2023. This result was 1.6% ahead of the portfolio benchmark, which returned 10.2% to 31 March 2024. It should be noted that the benchmark result does not include the cost of investing in its return figures.

The portfolio lost value over the summer and early autumn as markets were anxious about inflation remaining stubbornly high and the deteriorating situation in the Middle East and the Red Sea. Towards the end of 2023 and into the first quarter of 2024, market sentiment improved as it was clear that inflation had peaked and the prospect of interest rate cuts appeared possible later in 2024. There were still concerns about the conflict in Gaza and Lebanon potentially escalating wider than those countries, but diplomatic efforts to contain the conflict appeared to limit that prospect. As a result, the value of the portfolio increased significantly over this period and finished the year very strongly, more than delivering the budgeted return for the year.

The asset distribution of the investment portfolio as at 31 March 2024 is set out below:
Asset class distribution.



Geographic distribution



Change in investment advisors

During the year, Pilgrims undertook a review of its investment advisors, as Coutts & Co had been the charity's advisors since the early 2000s. Following that review, the Board decided to appoint Rathbones as the new advisors and the transfer of the funds in the portfolio held with Coutts & Co began in April 2024.

STATEMENT OF DISCLOSURE TO THE AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- So far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- That each Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the Charitable Company's auditors are aware of that information.

Charity Website

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

This report, including the Strategic Report, was approved by the Trustees, in their capacity as company directors on 3 October 2024 and signed on behalf of the company by:

Karen Warden
Chair

Opinion

We have audited the financial statements of Pilgrims Hospices in East Kent (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2024 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 2024 and of the group'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 Pilgrims Hospices in East Kent's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other Information

The other information comprises the information included in the trustees' annual report, including the strategic 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, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic 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, including the strategic 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.

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 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;
 - 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.

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.

Joanna Pittman (Senior statutory auditor)

24 October 2024

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

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

Pilgrims Hospices In East Kent

Consolidated Statement of financial activities (incorporating income and expenditure account) For the year ended 31 March 2024

	Note	Restricted funds 2024 £000	Unrestricted funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Income from:					
Donations and legacies	3	1,461	3,563	5,024	4,745
Charitable activities	4	-	4,583	4,583	4,122
Other trading activities	5	19	7,743	7,762	7,477
Investments	6	-	721	721	396
Total income		1,480	16,610	18,090	16,740
Expenditure on:					
Charitable activities:	8				
Fundraising costs		-	4,530	4,530	4,094
Investment management		-	96	96	52
Charitable activities		1,383	11,285	12,668	11,369
Total expenditure		1,383	15,911	17,294	15,515
Net income before net gains/(losses) on investments		97	699	796	1,225
Net gains/(losses) on investments		-	891	891	(313)
Net income		97	1,590	1,687	912
Transfers between funds	22	(81)	81	-	-
Net movement in funds		16	1,671	1,687	912
Reconciliation of funds:					
Total funds brought forward		376	31,074	31,450	30,538
Net movement in funds		16	1,671	1,687	912
Total funds carried forward		392	32,745	33,137	31,450

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 39 to 68 form part of these financial statements.

Consolidated balance sheet
As at 31 March 2024

	Note	2024 £000	2023 £000
Fixed assets			
Tangible assets	14	8,323	8,315
Investments	16	9,275	8,521
Investment property	15	4,415	4,319
		22,013	21,155
Current assets			
Stocks	17	24	15
Debtors	18	760	3,869
Investments	19	8,657	3,500
Cash at bank and in hand		3,211	7,403
		12,652	14,787
Creditors: amounts falling due within one year	20	(1,528)	(4,492)
Net current assets		11,124	10,295
Total net assets		33,137	31,450
Charity funds			
Restricted funds	22	392	376
Unrestricted funds	22	32,745	31,074
Total funds		33,137	31,450

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Karen Warden
Chair
Date: 3 October 2024

The notes on pages 39 to 68 form part of these financial statements.

Company balance sheet
As at 31 March 2024

	Note	2024 £000	2023 £000
Fixed assets			
Tangible assets	14	8,323	8,315
Investments	16	9,275	8,521
Investment property	15	4,415	4,319
		22,013	21,155
Current assets			
Debtors	18	798	3,877
Investments	19	8,657	3,500
Cash at bank and in hand		3,132	7,353
		12,587	14,730
Creditors: amounts falling due within one year	20	(1,518)	(4,484)
Net current assets		11,069	10,246
Total net assets		33,082	31,401
Charity funds			
Restricted funds	22	392	376
Unrestricted funds	22	32,690	31,025
Total funds		33,082	31,401

The Company's net movement in funds for the year was £1,681,000 (2023 - £911,000).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Karen Warden

Chair

Date: 3 October 2024

The notes on pages 39 to 68 form part of these financial statements.

Pilgrims Hospices In East Kent

Consolidated statement of cash flows For the year ended 31 March 2024

	Note	2024 £000	2023 £000
Cash flows from operating activities			
Net cash used in operating activities	25	544	2,118
Cash flows from investing activities			
Dividends, interests and rents from investments		721	396
Purchase of tangible fixed assets		(341)	(126)
Proceeds from sale of investments		4,564	4,504
Purchase of investments		(4,523)	(5,472)
Proceeds from sale of investment property		-	(45)
Net cash provided by/(used in) investing activities		421	(743)
Change in cash and cash equivalents in the year		965	1,375
Cash and cash equivalents at the beginning of the year		10,903	9,528
Cash and cash equivalents at the end of the year	26	11,868	10,903

The notes on pages 39 to 68 form part of these financial statements

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2024

1. General information

Pilgrims Hospices in East Kent is a charitable company limited by guarantee and is incorporated in England.

The registered office address is 56 London Road, Canterbury, Kent, CT2 8JA.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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 because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

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

The financial statements are presented in sterling which is the functional currency of the Charity, and are rounded to the nearest thousand.

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.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Company and its subsidiary undertaking. The results of the subsidiary are consolidated 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 because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

2.2 Public benefit entity

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

**Notes to the financial statements
For the year ended 31 March 2024**

2. Accounting policies (continued)

2.3 Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Free reserves stand at eleven months of ongoing expenditure. The cash flow forecast and current budget projections indicate that Pilgrims has sufficient funds to finance itself during the next 12 months, from the date of signature of 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.

2.4 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.

Legacies are reviewed on a case-by-case basis. For pecuniary legacies, entitlement is taken at the earlier of the date on which either: the charity is aware that probate has been granted, and the amount receivable can be measured reliably, and the receipt is probable; or when a distribution is received from the estate. For residuary legacies, entitlement is taken at 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. 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 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.

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

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. However, the trustees' annual report provides information about Pilgrims' volunteers and the contribution that they make to the charity.

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.

2.5 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:

**Notes to the financial statements
For the year ended 31 March 2024**

2. Accounting policies (continued)

2.5 Expenditure and irrecoverable VAT (continued)

Expenditure on charitable activities includes the costs of providing care and educational activities 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.

2.6 Interest receivable

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

2.7 Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Support costs are the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function.

Fundraising support costs are the support costs directly attributed to the Lottery and Retail departments of the charity.

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.

Support and governance costs are re-allocated to each of the activities according to the proportion of total direct costs attributable to each of those activities.

	Support	Governance
	%	%
In patient	66	78
Community services	12	14
Counselling	5	6
Information and education	2	2
Governance	15	

2.8 Tangible fixed assets and depreciation

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.

**Notes to the financial statements
For the year ended 31 March 2024**

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation (continued)

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:

Freehold property	- 50 years
Long-term leasehold property	- 50 years
Motor vehicles	- 4 years
Fixtures and fittings	- 4-5 years
Computer equipment	- 5-10 years
Freehold land	- not depreciated

2.9 Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'net gains/(losses) on investments' in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

Investments in subsidiaries are valued at cost less provision for impairment.

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value. Investment properties are not depreciated. Fair value is determined annually by the Trustees based on advice received. Any change in fair value is recognised in 'net gains/(losses) on investments' in the statement of financial activities. The valuation method used to determine fair value will be stated in the notes to the accounts.

2.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.12 Cash at bank and in hand

Cash at bank and 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.

**Notes to the financial statements
For the year ended 31 March 2024**

2. Accounting policies (continued)

2.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

2.14 Financial instruments

The Group 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.

2.15 Operating leases

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

**Notes to the financial statements
For the year ended 31 March 2024**

2. Accounting policies (continued)

2.16 Pensions

The Group operates a defined contribution pension scheme open to all employees. However, certain employees are already members of professional pension schemes to which Pilgrims Hospices in East Kent continues to make contributions as their employer. The pension costs charged in the financial statements represent the contributions payable by the Group during the year.

NHS Pension

Staff transferring from the NHS may continue to contribute to the NHS scheme.

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

i) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2022, is based on valuation data as 31 March 2021, updated to 31 March 2022 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

**Notes to the financial statements
For the year ended 31 March 2024**

2. Accounting policies (continued)

2.16 Pensions (continued)

ii) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay.

The 2016 funding valuation also tested the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. There was initially a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

HMT published valuation directions dated 7 October 2021 (see Amending Directions 2021) that set out the technical detail of how the costs of remedy are included in the 2016 valuation process. Following these directions, the scheme actuary has completed the cost control element of the 2016 valuation for the NHS Pension Scheme, which concludes no changes to benefits or member contributions are required. The 2016 valuation reports can be found on the NHS Pensions website at https://www.nhsbsa.nhs.uk/nhs-pension-scheme_1accounts-and-valuation-reports.

2.17 Fund accounting

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.

Restricted funds are to be used for specific purposes as laid down by the donor, or where donations are received in response to fundraising by the Charity for particular purposes. Expenditure which meets these criteria is charged to the fund.

Investment income, gains and losses are allocated to the appropriate fund.

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2024

3. Income from donations and legacies

	Restricted funds 2024 £000	Unrestricted funds 2024 £000	Total funds 2024 £000
Donations	130	1,103	1,233
Legacies	1,331	2,460	3,791
	<u>1,461</u>	<u>3,563</u>	<u>5,024</u>
	Restricted funds 2023 £000	Unrestricted funds 2023 £000	Total funds 2023 £000
Donations	187	1,229	1,416
Legacies	1,363	1,966	3,329
	<u>1,550</u>	<u>3,195</u>	<u>4,745</u>

At the balance sheet date, Pilgrims had received notice of £980,444 (2023: £750,300) of reversionary legacies which may become receivable in the future. These legacies are gifts of money or assets which only take effect subject to the prior right of a named person or persons to receive the benefit of those monies or assets, or income produced by them, during the person or persons lifetime. The gift then passes absolutely to Pilgrims as the "reversionary beneficiary" on the death of the named person or persons.

Besides these reversionary legacies, there was potential legacy income to a value of £3,371,800 (2023: £3,722,924) from legacies that were pending confirmation of probate or awaiting receipt of the estate accounts.

4. Income from charitable activities

	Unrestricted funds 2024 £000	Total funds 2024 £000
Grants receivable	3,676	3,676
Fees receivable	907	907
	<u>4,583</u>	<u>4,583</u>

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2024

4. Income from charitable activities (continued)

	Restricted funds 2023 £000	Unrestricted funds 2023 £000	Total funds 2023 £000
Grants receivable	4	3,289	3,293
Fees receivable	-	829	829
	<u>4</u>	<u>4,118</u>	<u>4,122</u>

Included above in grants receivable is a Local Health Authority Grant from the local NHS Integrated Care Board (ICB) awarded under a service funding agreement for the provision of specialist palliative and Hospice at Home care.

5. Income from other trading activities

Income from fundraising events

	Restricted funds 2024 £000	Unrestricted funds 2024 £000	Total funds 2024 £000
General fundraising	10	102	112
Proceeds of events	9	936	945
Income from Retail	-	5,432	5,432
Income from Lottery	-	1,179	1,179
	<u>19</u>	<u>7,649</u>	<u>7,668</u>

	Unrestricted funds 2023 £000	Total funds 2023 £000
General fundraising	53	53
Proceeds of events	967	967
Income from Retail	5,133	5,133
Income from Lottery	1,246	1,246
	<u>7,399</u>	<u>7,399</u>

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2024

5. Income from other trading activities (continued)

Income from non charitable trading activities

	Unrestricted funds 2024 £000	Total funds 2024 £000
Trading sales	94	94

	Unrestricted funds 2023 £000	Total funds 2023 £000
Trading sales	78	78

6. Investment income

	Unrestricted funds 2024 £000	Total funds 2024 £000
Investment properties	220	220
Listed investments	229	229
Interest receivable on cash deposits	272	272
	<u>721</u>	<u>721</u>

	Unrestricted funds 2023 £000	Total funds 2023 £000
Investment properties	210	210
Listed investments	99	99
Interest receivable on cash deposits	87	87
	<u>396</u>	<u>396</u>

Pilgrims Hospices in East Kent

**Notes to the financial statements
For the year ended 31 March 2024**

7a Analysis of expenditure (current year)

	Fundraising costs £'000	Investment management £'000	In-patient £'000	Charitable activities Community services £'000	Counselling £'000	Information and education £'000	2024 Total £'000	2023	Total £'000
Direct costs									
Staff costs (note 10)	632	-	6,383	1,449	644	88	9,196		8,440
Staff agency costs	-	-	308	-	-	-	308		244
Food	-	-	129	-	-	-	129		110
Medical supplies	-	-	108	-	-	-	108		90
Laundry and cleaning	-	-	86	-	-	-	86		86
Heat, light and water	-	-	271	-	-	-	271		170
Repairs and maintenance	-	-	450	-	-	-	450		330
Postage, printing and stationery	140	-	17	-	-	-	157		165
Recruitment advertising and fees	-	-	-	-	-	-	-		-
Telephone	-	-	37	16	-	-	53		47
Travel	-	-	149	-	-	5	154		145
Course fees and expenses	-	-	-	-	-	92	92		67
Professional books and journals	-	-	-	-	-	-	-		-
Costs of education centre	-	-	-	-	-	32	32		21
Prizes	213	-	-	-	-	-	213		216
Other costs	234	-	120	8	-	-	362		356
Trading company costs of sales	14	-	-	-	-	-	14		23
Publicity	9	-	-	-	-	-	9		7
Event costs	-	-	-	-	-	-	-		-
Investment property costs	-	60	-	-	-	-	60		18
Investment management fees	-	36	-	-	-	-	36		34
Depreciation	-	-	337	-	-	-	337		318
	1,242	96	8,395	1,473	644	217	12,067		10,887
Support costs (note 8a)	3,288	-	1,287	224	98	33	4,930		4,364
Governance costs (note 8a)	-	-	232	41	18	6	297		264
Total charity expenditure 2024	4,530	96	9,914	1,738	760	256	17,294		
Total charity expenditure 2023	4,094	52	8,996	1,797	373	203			15,515

Of the total figure of £4,530k for Fundraising costs in 2023-24, £3,092k related to total Retail costs and £525k to total Lottery costs.

Pilgrims Hospices in East Kent

**Notes to the financial statements
For the year ended 31 March 2024**

7b Analysis of expenditure (prior year)

	Fundraising costs £'000	Investment management £'000	In-patient £'000	Charitable activities Community services £'000	Counselling £'000	Information and education £'000	2023 Total £'000
Direct costs							
Staff costs (note 10)	550	-	6,045	1,450	315	80	8,440
Staff agency costs	-	-	244	-	-	-	244
Food	-	-	110	-	-	-	110
Medical supplies	-	-	90	-	-	-	90
Laundry and cleaning	-	-	86	-	-	-	86
Heat, light and water	-	-	170	-	-	-	170
Repairs and maintenance	-	-	330	-	-	-	330
Postage, printing and stationery	143	-	22	-	-	-	165
Recruitment advertising and fees	-	-	-	-	-	-	-
Telephone	-	-	10	37	-	-	47
Travel	-	-	106	34	1	4	145
Course fees and expenses	-	-	-	-	-	67	67
Professional books and journals	-	-	-	-	-	-	-
Costs of education centre	-	-	-	-	-	21	21
Prizes	216	-	-	-	-	-	216
Other costs	258	-	96	2	-	-	356
Trading company costs of sales	23	-	-	-	-	-	23
Publicity	7	-	-	-	-	-	7
Event costs	-	-	-	-	-	-	-
Investment property costs	-	18	-	-	-	-	18
Investment management fees	-	34	-	-	-	-	34
Depreciation	-	-	318	-	-	-	318
	1,197	52	7,627	1,523	316	172	10,887
Support costs (note 8a)	2,897	-	1,161	232	48	26	4,364
Governance costs (note 8a)	-	-	208	42	9	5	264
Total charity expenditure 2023	4,094	52	8,996	1,797	373	203	15,515

Pilgrims Hospices in East Kent

Notes to the financial statements
For the year ended 31 March 2024

8a Support and governance costs (current year)

	Charitable activities								
	Fundraising costs £'000	In-patient £'000	Community services £'000	Counselling £'000	Information and education £'000	Governance £'000	2024 Total £'000	2023	Total £'000
Staff costs	1,753	909	159	70	23	210	3,124		2,499
Staff agency costs	174	10	2	1	-	2	189		254
Repairs and maintenance	103	-	-	-	-	-	103		84
Postage, print and stationery	-	9	2	1	-	2	14		13
Telephone	-	-	-	-	-	-	-		-
Travel	-	-	-	-	-	-	-		-
Occupational health	-	-	-	-	-	-	-		-
Life assurance	-	21	4	2	1	5	33		15
Computer costs	-	135	24	10	3	31	203		195
Bank charges	-	24	4	2	1	5	36		32
Auditors' remuneration	32	-	-	-	-	-	32		32
Professional and consultancy fees	-	42	7	3	1	10	63		182
Other shops and lottery costs	730	-	-	-	-	-	730		607
Rent and rates	495	-	-	-	-	-	495		530
Partial exemption adjustment	-	11	2	1	-	2	16		24
Sundry	-	126	20	8	4	30	188		160
Depreciation	1	-	-	-	-	-	1		1
	3,288	1,287	224	98	33	297	5,227		4,628
Allocation of governance	-	232	41	18	6	(297)			
Total support and governance expenditure 2023	3,288	1,519	265	116	39	-			

Pilgrims Hospices in East Kent

**Notes to the financial statements
For the year ended 31 March 2024**

8b Support and governance costs (prior year)

	Charitable activities						
	Fundraising costs £'000	In-patient £'000	Community services £'000	Counselling £'000	Information and education £'000	Governance £'000	2023 Total £'000
Staff costs	1,389	744	149	31	17	169	2,499
Staff agency costs	254	-	-	-	-	-	254
Repairs and maintenance	84	-	-	-	-	-	84
Postage, print and stationery	-	9	2	-	-	2	13
Telephone	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Occupational health	-	-	-	-	-	-	-
Life assurance	-	11	2	-	-	2	15
Computer costs	-	131	26	5	3	30	195
Bank charges	-	22	4	1	-	5	32
Auditors' remuneration	32	-	-	-	-	-	32
Professional and consultancy fees	-	122	24	5	3	28	182
Other shops and lottery costs	607	-	-	-	-	-	607
Rent and rates	530	-	-	-	-	-	530
Partial exemption adjustment	-	16	3	1	-	4	24
Sundry	-	106	22	5	3	24	160
Depreciation	1	-	-	-	-	-	1
	2,897	1,161	232	48	26	264	4,628
Allocation of governance	-	208	42	9	5	(264)	
Total expenditure 2023	2,897	1,369	274	57	31	-	

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2024

9. Auditors' remuneration

	2024	2023
	£000	£000
Audit of the charity - current year	29	27
Fees payable to the charity's auditor and its associates in respect of:		
Audit of the trading subsidiary	2	2
	=====	=====

10. Net income for the year

This is stated after charging / (crediting):

	2024	2023
	£000	£000
Depreciation	337	288
Operating lease rentals - property	466	496
Operating lease rentals - other	108	84
Operating lease rentals receivable - property	(220)	(210)
	=====	=====

The figure of £496k for property lease rentals in 2023 has been re-stated from the original figure of £489k after corrective work carried out when preparing this set of accounts

11. Staff costs

	Group	Group	Company	Company
	2024	2023	2024	2023
	£000	£000	£000	£000
Wages and salaries	10,475	9,287	10,475	9,287
Social security costs	963	873	963	873
Contribution to pension schemes	882	779	882	779
	=====	=====	=====	=====
	12,320	10,939	12,320	10,939

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2024

11. Staff costs (continued)

The average number of employees (head count based on number of staff employed) during the year was 366 (2023: 361).

Staff are split across the activities of the charity as follows:

	Group 2024 No.	Group 2023 No.
Fundraising	22	21
Trading	71	60
In-patients	174	177
Community Services	28	36
Counselling	21	21
Information and education	6	5
Administration and support	44	23
	366	343

The average headcount expressed as full-time equivalents based on the activities of the charity was:

	Group 2024 No.	Group 2023 No.
Fundraising	18	17
Trading	63	55
In-patient	137	149
Community services	25	32
Counselling	16	14
Information and education	5	5
Administration and support	37	23
	301	295

**Notes to the financial statements
For the year ended 31 March 2024**

11. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2024 No.	Group 2023 No.
In the band £60,001 - £70,000	3	3
In the band £70,001 - £80,000	2	2
In the band £80,001 - £90,000	3	2
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	-	1
In the band £120,001 - £130,000	2	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £764,385 (2023: £551,376).

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 March 2024, expenses totalling £365 were reimbursed or paid directly to 1 Trustee (2023 - £110)

13. 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 Pilgrims Hospices Trading Limited distributes under Gift Aid available profits to the parent charity. Its charge to corporation tax at 19% in the year was £Nil (2023: £Nil).

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2024

14. Tangible fixed assets

Group and Company

	Freehold property £000	Long-term leasehold property £000	Motor vehicles £000	Fixtures and fittings £000	Computers and other equipment £000	Total £000
Cost or valuation						
At 1 April 2023	10,419	2,692	90	318	1,055	14,574
Additions	106	13	-	-	222	341
Disposals	-	-	-	-	(86)	(86)
Revaluations	-	-	(6)	-	-	(6)
At 31 March 2024	10,525	2,705	84	318	1,191	14,823
Depreciation						
At 1 April 2023	3,611	1,453	54	307	834	6,259
Charge for the year	160	53	14	6	104	337
On disposals	-	-	-	-	(86)	(86)
On revalued assets	-	-	(10)	-	-	(10)
At 31 March 2024	3,771	1,506	58	313	852	6,500
Net book value						
At 31 March 2024	6,754	1,199	26	5	339	8,323
At 31 March 2023	6,808	1,239	36	11	221	8,315

Land with a value of £2 million (2023: £2 million) is included within freehold property and not depreciated.

All of the above assets are used for charitable purposes.

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2024

15. Investment property

Group and Company

	Freehold investment property £000
Valuation	
At 1 April 2023	4,319
Surplus on revaluation	96
At 31 March 2024	4,415

The properties were last valued, as at 31 March 2024, in April 2024 by Rob Bryer, MARLA MNAEA from The Good Estate Agent.

Management undertakes regular reviews of the condition of the investment properties and regular maintenance is undertaken in order to maintain values.

16. Fixed asset investments

Group and Company	Listed investments £000	Other investments £000	Total £000
Cost or valuation			
At 1 April 2023	8,471	50	8,521
Additions	4,275	248	4,523
Disposals	(4,564)	-	(4,564)
Revaluations	795	-	795
At 31 March 2024	8,977	298	9,275

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2024

	2024 £000	2023 £000
Investments comprise:		
Fixed interest	3,059	3,902
Managed funds (equity based)	5,687	4,569
Alternative investment funds	231	-
Cash	298	50
	9,275	8,521

All fixed asset investments are held in the UK.

Principal subsidiaries

The following were subsidiary undertakings of the Company:

Names	Company number	Registered office or principal place of business	Principal activity
Pilgrims Hospices Trading Limited	07993259	56 London Road, Canterbury, Kent, CT2 8JA	Non-primary purpose trading activities
Hospice Shops Limited	01623758	56 London Road, Canterbury, Kent, CT2 8JA	Dormant
Pilgrims Hospice Lottery Limited	03130167	56 London Road, Canterbury, Kent, CT2 8JA	Dormant

Class of shares	Holding
Ordinary	100%
Ordinary	100%
Ordinary	100%

The charity owns 2 ordinary shares of £1 each in Pilgrims Hospices Trading Limited.

The charity owns 3 ordinary shares of £1 each in Hospice Shops Limited.

The charity owns 2 ordinary shares of £1 each in Pilgrims Hospice Lottery Limited.

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2024

A summary of the results of Pilgrims Hospices Trading Limited is shown below:

	2024 £'000	As restated 2023 £'000
Turnover	94	78
Cost of sales	<u>(14)</u>	<u>(20)</u>
Gross profit/(loss)	80	58
Administrative expenses	(5)	(4)
Management charge payable to parent undertaking	<u>(3)</u>	<u>(3)</u>
Profit on ordinary activities	72	51
Taxation on ordinary activities	-	-
Profit for the financial year	<u>72</u>	<u>51</u>
Retained earnings		
Total retained earnings brought forward	48	48
Profit for the financial year	72	51
Distribution under Gift Aid to parent charity	(72)	(51)
Total retained earnings carried forward	<u>48</u>	<u>48</u>
The aggregate of the assets, liabilities and reserves was:		
Assets	104	71
Liabilities	<u>(56)</u>	<u>(23)</u>
Reserves	<u>48</u>	<u>48</u>

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

	2024 £'000	2023 £'000
Gross income	17,996	16,662
Result for the year	<u>1,615</u>	<u>861</u>

17. Stocks

	Group 2024 £000	Group 2023 £000
Finished goods and goods for resale	<u>24</u>	<u>15</u>

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2024

18. Debtors

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Due within one year				
Trade debtors	75	3,355	75	3,355
Amounts owed by group undertakings	3	-	46	15
Other debtors	339	240	334	239
Prepayments and accrued income	340	256	340	250
Accrued legacy income	3	18	3	18
	760	3,869	798	3,877

19. Current asset investments

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Short term deposits	8,657	3,500	8,657	3,500

20. Creditors: Amounts falling due within one year

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Trade creditors	562	434	557	433
Other taxation and social security	347	318	347	318
Other creditors	1	-	1	-
Accruals and deferred income	618	3,740	613	3,733
	1,528	4,492	1,518	4,484

Deferred income comprises NHS ICB grant payments, lottery subscriptions, course fees and fundraising activities taking place in the following year.

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2024

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Deferred income at 1 April 2023	3,480	3,169	3,480	3,169
Resources deferred during the year	432	3,480	432	3,480
Amounts released from previous periods	(3,480)	(3,169)	(3,480)	(3,169)
	432	3,480	432	3,480

21. Financial instruments

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Financial assets measured at fair value through profit and loss				
Investment properties	4,415	4,319	4,415	4,319
Listed investments	9,275	8,521	9,275	8,521
	13,690	12,840	13,690	12,840

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2024

22. Statement of funds

Statement of funds - current year

	Balance at 1 April 2023 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2024 £000
Unrestricted funds						
Designated funds						
Fixed asset fund	8,315	-	(337)	345	-	8,323
Canterbury Hospice	3,837	162	-	-	-	3,999
	<u>12,152</u>	<u>162</u>	<u>(337)</u>	<u>345</u>	<u>-</u>	<u>12,322</u>
General funds						
General Funds	16,115	16,448	(15,574)	(264)	-	16,725
Revaluation reserve	2,807	-	-	-	891	3,698
	<u>18,922</u>	<u>16,448</u>	<u>(15,574)</u>	<u>(264)</u>	<u>891</u>	<u>20,423</u>
Total Unrestricted funds	<u>31,074</u>	<u>16,610</u>	<u>(15,911)</u>	<u>81</u>	<u>891</u>	<u>32,745</u>
Restricted funds						
Ashford Hospice	84	729	(726)	-	-	87
Bedside funds	8	9	(5)	-	-	12
Canterbury Hospice	21	382	(372)	(1)	-	30
Thanet Hospice	-	298	(267)	(25)	-	6
Sundry projects	263	7	(13)	-	-	257
Bed Appeal fund	-	55	-	(55)	-	-
	<u>376</u>	<u>1,480</u>	<u>(1,383)</u>	<u>(81)</u>	<u>-</u>	<u>392</u>
Total of funds	<u><u>31,450</u></u>	<u><u>18,090</u></u>	<u><u>(17,294)</u></u>	<u><u>-</u></u>	<u><u>891</u></u>	<u><u>33,137</u></u>

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2024

22. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2023 £000
Unrestricted funds						
Designated funds						
Fixed asset fund	8,563	-	(288)	40	-	8,315
Canterbury Hospice	4,000	-	(163)	-	-	3,837
	<u>12,563</u>	<u>-</u>	<u>(451)</u>	<u>40</u>	<u>-</u>	<u>12,152</u>
General funds						
General Funds	14,922	15,186	(13,466)	(40)	(487)	16,115
Revaluation reserve	2,633	-	-	-	174	2,807
	<u>17,555</u>	<u>15,186</u>	<u>(13,466)</u>	<u>(40)</u>	<u>(313)</u>	<u>18,922</u>
Total Unrestricted funds	<u>30,118</u>	<u>15,186</u>	<u>(13,917)</u>	<u>-</u>	<u>(313)</u>	<u>31,074</u>
Restricted funds						
Ashford Hospice	97	309	(322)	-	-	84
Bedside funds	8	-	-	-	-	8
Canterbury Hospice	18	778	(775)	-	-	21
Thanet Hospice	11	337	(348)	-	-	-
Sundry projects	286	130	(153)	-	-	263
	<u>420</u>	<u>1,554</u>	<u>(1,598)</u>	<u>-</u>	<u>-</u>	<u>376</u>
Total of funds	<u><u>30,538</u></u>	<u><u>16,740</u></u>	<u><u>(15,515)</u></u>	<u><u>-</u></u>	<u><u>(313)</u></u>	<u><u>31,450</u></u>

Notes to the financial statements
For the year ended 31 March 2024

22. Statement of funds (continued)

Purposes of restricted funds

These represent donations, legacies and grants received for specific purposes. Those funds associated with the three hospice sites are for projects to be undertaken for the improvement of patient care at those specific sites.

Transfers includes the purchase of solar panels for the Thanet hospice, which were installed in the year and for which a restricted donation of £25k was provided. The sum also includes £55.7k of restricted donations which have been used for the purchase of replacement beds across the three hospice sites, as noted in the Bed Appeal fund line.

The **Bedside Fund** provides funding for the upgrade or replacement of items of equipment needed 'at the bedside' across the three hospice sites.

Included in **Sundry projects** is a legacy specifically for the funding of training for health and social care professionals, with a revised programme planned for future years, as well as a grant for a pilot scheme with certain east Kent GP practices to help identify patients that would benefit from early referral to Pilgrims' services and expertise. The projects also include a fund for the employment of a Specialist Nurse who will recruit and train expert volunteers to provide bereavement support to bereaved families across east Kent.

Purposes of designated funds

The fixed asset fund has been set up to identify those funds that are not free funds and it represents the net book value of tangible fixed assets. The transfer between the unrestricted general fund and the fixed asset fund represents the net movement in the net book value of fixed assets in the year.

The Canterbury Hospice Fund has been set up as a fund into which has been placed a donation of £4 million from the Pentland Homes and the Tory Foundation which trustees have designated as funding with which to build a new hospice in Thanington. Other income funds raised specifically for the project will also be allocated to this fund.

Revaluation reserve

The revaluation reserves represents the increase in valuation of investment properties above the cost price paid.

23. Summary of funds

Summary of funds - current year

	Balance at 1 April 2023 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2024 £000
Designated funds	12,152	162	(337)	345	-	12,322
General funds	18,922	16,448	(15,574)	(264)	891	20,423
Restricted funds	376	1,480	(1,383)	(81)	-	392
	<u>31,450</u>	<u>18,090</u>	<u>(17,294)</u>	<u>-</u>	<u>891</u>	<u>33,137</u>

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2024

23. Summary of funds (continued)

Summary of funds - prior year

	Balance at 1 April 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2023 £000
Designated funds	12,563	-	(451)	40	-	12,152
General funds	17,555	15,186	(13,466)	(40)	(313)	18,922
Restricted funds	420	1,554	(1,598)	-	-	376
	<u>30,538</u>	<u>16,740</u>	<u>(15,515)</u>	<u>-</u>	<u>(313)</u>	<u>31,450</u>

24. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 2024 £000	Unrestricted funds 2024 £000	Total funds 2024 £000
Tangible fixed assets	-	8,323	8,323
Fixed asset investments	-	9,275	9,275
Investment property	-	4,415	4,415
Current assets	392	12,260	12,652
Creditors due within one year	-	(1,528)	(1,528)
Total	<u>392</u>	<u>32,744</u>	<u>33,137</u>

Analysis of net assets between funds - prior period

	Restricted funds 2023 £000	Unrestricted funds 2023 £000	Total funds 2023 £000
Tangible fixed assets	-	8,315	8,315
Fixed asset investments	-	8,521	8,521
Investment property	-	4,319	4,319
Current assets	376	14,411	14,787
Creditors due within one year	-	(4,492)	(4,492)
Total	<u>376</u>	<u>31,074</u>	<u>31,450</u>

Notes to the financial statements
For the year ended 31 March 2024

25. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2024 £000	Group 2023 £000
Net income for the period (as per Statement of Financial Activities)	1,687	912
Adjustments for:		
Depreciation charges	337	288
(Gains)/losses on investments	(891)	313
Dividends, interests and rents from investments	(721)	(396)
Loss on the sale of fixed assets	-	86
Increase in stocks	(8)	(1)
(Decrease)/increase in creditors	(2,964)	459
Decrease/(increase) in debtors	3,108	457
Revaluation of tangible fixed assets	(4)	-
Net cash provided by operating activities	544	2,118

26. Analysis of cash and cash equivalents

	Group 2024 £000	Group 2023 £000
Cash in hand	11,868	10,903
Total cash and cash equivalents	11,868	10,903

27. Analysis of changes in net debt

	At 1 April 2023 £000	Cash flows £000	At 31 March 2024 £000
Cash at bank and in hand	7,403	(4,192)	3,211
Liquid investments	3,500	5,157	8,657
	10,903	965	11,868

Notes to the financial statements
For the year ended 31 March 2024

28. Operating lease commitments payable as a lessee

At 31 March 2024 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Land and buildings				
Not later than 1 year	434	303	434	303
Later than 1 year and not later than 5 years	1,189	703	1,189	703
Later than 5 years	-	245	-	245
	1,623	1,251	1,623	1,251
	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Equipment and vehicles				
Not later than 1 year	75	50	75	50
Later than 1 year and not later than 5 years	121	90	121	104
Later than 5 years	-	-	-	-
	196	140	196	154

29. Operating lease commitments receivable as a lessor

The group leases out the investment property under non-cancellable operating leases for the following future minimum lease payments. There are no contingent rents.

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Property				
Less than one year	237	222	237	222
One to five years	-	-	-	-
Over five years	-	-	-	-
	237	222	237	222

**Notes to the financial statements
For the year ended 31 March 2024**

30. Related party transactions

During the year, donations amounting to £2,080 (2023: £1,035) were made by trustees to the charity. £867 (2023: £907) was received from other related parties, which were outside the normal course of business. There were no restricted donations arising from related parties.

Pilgrims Hospices Trading Limited incurred management charges payable to the Charity of £3,175 (2023: £2,775). In addition, the Charity purchased goods from Pilgrims Hospices Trading of £nil (2023: £nil). Pilgrims Hospices Trading covenanted its profit of £72,077 (2023: £50,607) to the Charity.

31. 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.

Accounts

Company number: 02000560

Charity number: 293968

Pilgrims Hospices in East Kent

Report and financial statements

For the year ended 31 March 2023

PILGRIMS HOSPICES IN EAST KENT
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 March 2023

Trustees

K Warden
S Bates LLB. (Hons.)
Dr P Biggs (appointed 29 September 2022)
P Bradshaw (resigned 29 September 2022)
S Cuomo
S Oriel MA (Cantab)
S Perks
J Richards
E Sharp MB BS, FRCS
Dr R Wilson

Company registered number 02000560

Charity registered number 293968

Registered office 56 London Road
Canterbury
Kent
CT2 8JA

Independent auditor Sayer Vincent LLP
Invicta House
108-114 Golden Lane
London
EC1Y 0TL

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CHAIR & CHIEF EXECUTIVE'S STATEMENT:

Pilgrims Hospices has performed strongly during 2022-23, particularly as we recovered from the COVID Pandemic. The health and well-being of our staff and volunteers has been of utmost focus for our leadership team and the Board of Trustees. We understand that without this focus we would not be able to deliver the vital care and charitable activities so valued by the communities across east Kent.

We have achieved many of the objectives we set for ourselves in 2022-23, and our significant achievements have included:

- Working closely with the Kent and Medway Integrated Care Board to review our future funding needs and compliance with the Health and Care Act 2022 to ensure equity of provision of palliative and end of life care services to our local population.
- Developing services with local partners to ensure early identification of those with a life limiting illness to ensure they have care plans in place which include what matters most to them at this time.
- Continuing to strengthen our governance oversight post COVID by re-introducing onsite visits by Trustees to talk to staff, volunteers, patients and families to understand the day to day working of the hospice and quality of the services we deliver, and so better inform decision-making by the Board.
- Finally, we were delighted to be able to celebrate 40 years of Pilgrims Hospices services with our founder, Ann Robertson and all our staff and volunteers across our three sites. It was wonderful to be able to thank everyone for all they do in person!

Working with both our statutory and non-statutory partners in health and social care across the systems has been of great value. Developing our relationships and key partnerships to collaborate means that that we can use our scarce and valuable resources to maximum benefit for those we care for. Working in collaboration with others ensures that we can build a sustainable hospice for many years to come.

We could not be more proud to continue to lead such a thriving and dynamic organisation that truly holds the patient and those that care for them at the very centre of all we do. We could not thank our staff, volunteers and all of those that offer us support on each and every day of the year enough for all they do. It is this support that makes Pilgrims Hospices a very special charity that sits firmly within the communities we serve.

STRATEGIC REPORT

OBJECTS AND ACTIVITIES (Facts and figures)

Pilgrims Hospices serves a population of approximately 750,000, providing adult palliative care services across East Kent. The charity employs around 350 people and is supported by over 1,500 volunteers. Pilgrims provides support through a number of services:

Inpatient Units

Pilgrims operates three inpatient units in Ashford, Canterbury and Thanet, providing specialist palliative care delivered by a multi-disciplinary team of clinicians. Pilgrims aspires to provide a homely, welcoming environment for patients where they will feel safe, comfortable and well cared for.

Community Services

Pilgrims' dedicated community teams provide specialist palliative care assessment and advice for patients in community settings, whether in their own home, care home, or through outpatient appointments on site, via telephone or virtually. Support is also available 24 hours per day, 365 days per year through a dedicated advice line.

Therapy & Wellbeing

A multi-disciplinary team including Wellbeing Practitioners, Physio and Occupational Therapists provides therapies and wellbeing support for patients through Pilgrims Therapy Centres, as well as through home visits, provision of gym services, and specialist assessment. Therapies input is intended to ensure patients have access to the support they need to enjoy the highest possible quality of life, living as well and as comfortably as possible.

Hospice at Home

Hospice at Home provides dedicated domiciliary care for patients in the last days and hours of life. The team provides up to three visits per day, administering personal care and supporting patients to remain in their preferred place of care until they die.

Psychosocial and Bereavement Care

In the year ended March 2023:

Pilgrims received
2,769 referrals
(1.4% increase from 2022)

Pilgrims admitted
907 patients
to our inpatient units
(12% increase from 2022)

Pilgrims delivered
6,802
Community Contacts
(2% increase from 2022)

1.34 million
Donated items sold
through our shops

Social Workers, Counsellors and Spiritual Care professionals work to provide holistic, person-centred care to patients, addressing their psychosocial needs. The Counselling team also provides bereavement support to anyone across east Kent through the Stepping Stones Bereavement Services.

Cost

In the year to March 2023 it cost £11.4 million to deliver these services.

Our Vision

At Pilgrims Hospices we have a simple Vision: “of a community where people with a terminal illness and their family and friends are supported and empowered to live well in mind and body until the very last moment of their life.”

Our Mission

Our ‘Mission’ is to make a difference in the lives of individuals in east Kent who are facing the last year of life. To do this we:

- Provide open, compassionate care and expertise for patients and their families; both in the community and in our inpatient units. We will continue this support for families through their bereavement.
- Inform, educate and enable patients and their families so they can make informed choices and participate in planning their own care.
- Form strategic partnerships throughout our community; sharing our research, knowledge and expertise to enable others to play their part in supporting families where and when they need it.

Our Values

To achieve our Vision, we have a shared set of values and behaviours that will enable us to be the people and the charity that patients and their loved ones need us to be. They form our ‘CODE’ which guides us in our daily working and decision making.

Compassionate -	We treat everyone with compassion and care.
Open -	We communicate openly, honestly and effectively.
Dynamic -	We are dynamic, improving and developing our services.

Pilgrims took over
3,700 phone calls
per month from patients,
families and professionals

On average, Pilgrims
provided over
**1,940 patient
meals**
per month

Pilgrims welcomed
**10,500
Supporters**
to events and
challenges in 2022-23

Pilgrims provided
**1,439
Bereavement Care
Sessions**
(A 22% decrease on the previous year.)

Lottery entries achieved
21,872
per week on average
(A 6% increase on the previous year.)

STRATEGIC PROGRESS & KEY ACHIEVEMENTS

2021-22 saw the launch of Pilgrims Hospices' five-year Organisational Strategy, covering the period 2021-2026.

Four pillars underpin and guide the charity's long-term strategic ambitions and inform the setting of annual objectives.



Objective One: We will put the patient at the centre of all we do, delivering the care they need, where they need it.

As a charity, Pilgrims' first priority will always be patients and the organisation is dedicated to ensuring that service users, as well as their families, receive the highest standards of care and support.

Throughout the year, the proportion of patients indicating satisfaction across all services averaged 98% based on feedback obtained via the independent *I Want Great Care* programme. Processes for recording and following up complaints ensure that if service standards fall below those expected, or where a patient is unhappy with the service received, that this is captured, and that the most is made of opportunities for learning.

Outcome measures

During 2022-23, we made significant changes to our patients' involvement and participation in their

care planning, as well as our documentation and our reporting on outcomes. The complexity of our patients at first assessment is now regularly reported on for patients in the inpatient units. The change in troublesome physical, psychosocial and spiritual symptoms is shared, as well as the highlighting of their impact of our care on the quality of life. Towards the end of 2022-23, we extended the regular reports into all community hospice services and this collection of outcome and complexity data will form a main part of the shaping of community and therapy centre based services over the next financial year.

The ongoing impact of COVID-19 on direct patient care and staffing numbers meant that patient safety remained a key consideration throughout 2022-23. Guidance was reviewed and updated throughout the year, with a focus on ensuring that precautions were balanced against patient need, particularly in relation to visiting. As a result of adherence to robust processes, Pilgrims Hospices was able and continues to admit and care for COVID positive patients safely and with no interruption to normal operations across its in-patient units.

Pilgrims worked closely with partners across the healthcare sector, including East Kent Hospitals University NHS Foundation Trust (EKHUFT), throughout the year, in order provide support to the maximum number of patients. This included opening additional beds to facilitate admissions for end of life (EOL) patients who are waiting for a discharge package, which in turn reduced pressure on NHS/EKHUFT acute services. The Thanet hospice ran at 12 bed capacity for much of the year, Our Ashford hospice increased to 12 beds in December 2022. The Canterbury hospice remains insufficiently staffed to allow an increase of bed numbers beyond 8 beds at the time of writing. Agency staff are used on most shifts to maintain these additional beds.

Objective Two: We will use our influence to develop our services and maximise our reach as we implement new service initiatives.

Evidence demonstrates that earlier involvement with palliative care services improves quality of life and End of Life outcomes for patients and earlier intervention is therefore a key priority for Pilgrims now and in the future. Central to this ambition is the Think, Talk, Act programme which, in partnership with GPs, seeks to identify and engage the 1% of patients likely to die in the next 12 months, as well as the 3% of patients already identified as “moderately frail”.

This programme aims to:-

- enable and empower families to participate in creating their own plans for care whilst they are well enough to participate
- increase the percentage of people identified as likely to be in their last year of life, so that end of life care can be improved by personalising it according to their needs and preferences
- increase the percentage of people who have died having been offered the opportunity for personalised care and support planning
- work alongside primary care colleagues to help identify and support relevant patients, we will introduce proactive and personalised care planning for everyone identified as being in their last year of life
- extend the time we have with a family to establish deeper connection and provide more holistic care
- change the perception people have of Pilgrims – to move away from being seen as a place to die to being seen as an enabler of living well in the final phase of life
- increase support for Pilgrims from a much broader cohort of our local community.

The COVID-19 outbreak delayed plans for the launch of Pilgrims Hospices' Think, Talk, Act programme in 2020, due to significant restrictions on face-to-face activity, as well as on use of indoor space. As restrictions eased during 2021-22, plans were renewed, however, the emergence of the Delta and Omicron Variants resulted in further delays.

Despite significant setbacks, the charity was able to launch successfully the Think pilot in January

2022. General Practitioners invited patients who were assessed to be moderately frail to a THINK session held at the Hospice to explain Advance Care Planning. The initial response to the programme has been overwhelmingly positive, with uptake significantly exceeding expectations and averaging 11%. Overall, sessions were delivered to 106 attendees during the period January to March 2022.

Some feedback from the attendees included:

'VERY INTERESTING AND BROUGHT UP MATTERS WE OFTEN PUT OFF, SHOULD BE MADE AVAILABLE TO MORE PEOPLE'

'GIVES YOU LOADS TO THINK ABOUT NOT JUST THE PERSON I CARE ABOUT ALSO MYSELF'

'IT HAS MADE MY WIFE AND I THINK ABOUT THE FUTURE- ALTHOUGH WE ARE BOTH IN OUR 80'S AND ACTIVE. WE THINK YOUR PRESENTATION WILL MAKE US LOOK INTO ALL THE POINTS MADE. SOME ELDERLY PEOPLE NEED HELP WITH THE INTERNET- MAYBE COURSES COULD BE ARRANGED FOR THE OVER 70'S'

'USEFUL TO KNOW YOU CAN DISCUSS THIS WITH THE GP PRACTICE AND THAT THEY ARE SUPPORTING THIS. ALSO DID NOT KNOW DNR WAS NOT LEGALLY BINDING'

'A GOOD WAY OF STARTING CONVERSATIONS'

'A LOT OF THOUGHT HAS GONE INTO THE SESSION GIVING FOOD FOR THOUGHT AND WHERE TO GET MORE INFORMATION. MANY THANKS TO THE TEAM'

The Talk element of the pilot commenced in January 2023, with the evaluation being prepared for the new financial year. This was with a view to developing a full service specification and a proposal for a roll out across east Kent.

Virtual wards

The Hospice is represented on the Strategic Committee to develop and roll out Virtual ward beds in east Kent. These beds are supported by EKHUFT medical and nursing staff, with the aim to prevent admission to the acute sector and facilitate earlier step down discharges. The hospice is committed to support end of life and/or rapid response, as long as appropriate and sustained funding is provided and staffing levels allow.

Single Point of access (SPA)

The Hospice is working closely with all other specialist palliative care providers in east Kent and Medway, at CEO and Clinical & Medical Director level. All providers are committed to supporting the ICB in the rollout of a SPA and contributing with Senior Medical Advice and Hospice at Home / rapid response support for complex patients at the end of their lives who are not yet known to the hospices. No further progress has been made on sustained and ringfenced funding for specialist palliative care. The deadline of the SPA start has been postponed twice and no date has been confirmed or funding for hospice services agreed.

Stepping Stones Bereavement Service

The Stepping Stones Bereavement Service moved to a telephone service throughout the COVID pandemic and face to face bereavement groups were reintroduced in the autumn of 2022 on all 3 sites. The demand for this service has meant that two out of the three groups were oversubscribed.

It is planned to look at expanding this service to support more bereaved people across east Kent.

Objective Three: We will ensure clinical and financial stability through the achievement of a break-even position and by securing consistent and equitable statutory funding as well as identifying new ways to maximise commercial revenue.

The ongoing impact of COVID-19 resulted in significant financial uncertainty in 2021-22. Throughout 2022-23, Pilgrims worked hard to mitigate these impacts, sustain voluntary income, and secure additional statutory funding. Pilgrims also continued to invest in the development of its estate to ensure maximum value is realised from its existing assets. The charity is delighted to report that these efforts were successful.

Sustaining Voluntary Income:

Pilgrims Hospices' Income Generation Team worked hard to sustain and grow voluntary income throughout 2022-23:

Retail – At the end of the 2022-23 financial year, Retail had surpassed their five year projections set in 2020 and achieved a sales income of £5.1 million, representing over £660k up on the previous year. A notable highlight was the opening of a new shop, Store 50, in Canterbury, which has a vintage retro style. Other highlights were the way the team interacted with the fundraising teams over the sale of chattels (gifts of items left in wills), which generated an increasing amount of income for the charity.

Over the last 36 months, the team have increasingly embraced social media as a way of individual shops interacting with the local communities in which they are based and have expanded their online trading platforms.

Community Fundraising – Community Fundraising have performed exceptionally well, despite the notable reduction of local supporter events across the area. The team reported a strong second half of the year and were only marginally down on budget. A highlight of the year was the team's partnership working with Kent County Council and FCC Waste Management, collecting over 5,000 Christmas Trees and raising over £45k for the hospice.

Events – Events performed strongly during the year, particularly our flagship events (namely The Pilgrims Way Challenge and Pilgrims Cycle Challenge), which together generated over £200k. In 2022 a third challenge event was introduced (Folkestone Downs), generating £45k in its first year. Individuals undertaking personal challenges such as the London Marathon, Wing Walking and parachute jumps generated a staggering £40k from 40 individuals.

Individual Giving – Individual giving activity, including face-to-face *In Memory* events, have performed above budget. The introduction of our *Always Caring* programme, has worked well, attracting over 500 members in its first year. During the year, two sizeable donations from individuals were received of £90k and £100k, for which we are very grateful.

During the first six months of the year, unsolicited income performed to budget but then went on to outperform budget during the latter part of the year. The generosity of individuals helped Individual Giving generate in excess of £214k over the original budget for the year.

Trusts – In 2022-23 income from Trusts has not been as strong as the previous year. However, a significant success was achieved in securing a £34k grant to fund video conferencing equipment, which will allow our clinicians to reach people in rural locations enabling them to participate in therapy and physiotherapy sessions. It will also allow them to meet virtually with our consultants and senior clinicians and receive 1-2-1 support.

Lottery – The Lottery has been a consistent and sustainable source of income for Pilgrims Hospices. That said, 2022-23 has been challenging for the Lottery Team due to the national

shortage of lottery canvassers, which has impacted their ability to increase our Lottery membership. To minimise further decreases in revenue during 2023-24, the Team ran a telephone upgrade campaign, encouraging existing members to increase the number of lottery lines they have in play.

Legacies – Legacy income has performed better than expected, with income over £970k higher than budget. During the year the team has worked hard to streamline our legacy administration processes and defining key performance indicators to allow us to monitor income more accurately in future years.

Securing Additional Statutory Funding:

Throughout 2022-23 Pilgrims Hospices, in collaboration with other Kent and Medway (K&M) Hospices, continued to engage with commissioners regarding the need to achieve fair and sustainable statutory funding, in line with the national funding frameworks, which became enshrined in law within the Health and Care Act 2022

Discussions continue to be productive and some additional non-recurrent funding for 2021/22 was provided to Pilgrims. Our focus moving forward is to negotiate funding for core and specialist palliative and end of life care services in line with NHS national commissioning intentions guidance for Commissioners and Integrated Care Boards..

Estates Development:

Pilgrims Hospices has a significant freehold estate, which encompasses a number of retail units arranged over multiple floors. In order to ensure Pilgrims realises the maximum value of its assets, work has been undertaken to identify excess space within the estate and to explore value-generative options to develop these areas.

During 2022-23, we started planning work on a project to convert space above the charity's Broadstairs shop into two residential units. It is anticipated that this development work will take place in 2023-24.

Objective Four: We will implement new ways of working across clinical and non-clinical services and day to day operations, both internally and externally.

Advanced Clinical Practitioners (ACPs):

Pilgrims Hospices recognises that workforce sustainability, and ensuring the supply of suitably skilled staff, will be key to maintaining a high-quality service into the future. In particular, it has become increasingly difficult to recruit Specialty Doctors due to a shortage of supply across the wider healthcare sector.

In order to address some of these issues, starting in 2021-22, Pilgrims developed Advanced Clinical Practitioner roles, to be recruited in three cohorts, with a total number of nine in post by 2024. The initiative has included opportunities for Trainee Advanced Clinical Practitioners (those required to simultaneously study for a Master's degree and non-medical prescribing), and this has allowed us to successfully recruit to all 9 posts, with the final three onboarding in the first half of 2023.

By 2026-27 it is planned that ACPs will augment Specialty Doctor roles within the staffing establishment, where these posts become difficult to fill. This will ensure a more sustainable workforce, while also ensuring Pilgrims is able to offer enhanced development opportunities to clinical staff, which is expected to drive improvements in recruitment and retention.

Nursing Associates:

Following the successful conclusion of training for our first [trainee] Nursing Associate, they have now moved into a qualified Nursing Associate role on our Thanet site. A new trainee Nursing Associate has been recruited to continue this initiative to grow our own nurses for the future, with a further role being recruited in mid-2023.

Volunteering:

Volunteers represent a significant segment of Pilgrims' workforce, providing support across all areas of the charity's operations. Volunteer roles are varied, from shop volunteers, to receptionists, to volunteers providing support directly to patients and families.

We recognise that COVID-19 impacted on our model of volunteering which we worked to restore during 2021-22. Investment was made into a new Volunteering Advisor role in Q3 2022 and we have started to bring consistent support to volunteer managers and to recruiting new volunteers, attending local events and producing quality recruitment materials. Relationships with volunteering bodies and local colleges have been strengthened and we have increased the number of placements we are supporting into our catering teams.

This year, Pilgrims Hospices submitted 3 nominations to the annual Hospice UK awards and received the award (posthumously) of "Volunteer Gardener of the Year" for Arthur Walkiden's long support at the Pilgrims Hospice in Thanet.

Workforce Engagement

A number of mechanisms are in place to engage with staff and volunteers, including an annual Staff and Volunteer Survey operated by Birdsong Charity Consulting. This survey asks staff and volunteers about their views on a range of topics, provides a comparison with the wider hospice sector, and also provides an overview of how "engaged" respondents are compared to the national average. The results of this survey are summarised and shared with the Board of Trustees and wider organisation.

Pilgrims has a Local Management Team (LMT) in place at each hospice, which considers Claims, Concerns and Issues for their site, and which are in turn escalated to the Senior and Executive Management Teams. LMTs are also the primary method of cascading information across the organisation.

Following delivery of the 2022 survey, LMTs have taken responsibility for discussing the feedback with their local teams and proposing changes to our local workplaces. Key areas of focus highlighted in the survey include communications across sites and teams bringing consistency to local inductions, and providing timely support to each other during periods of high demand for our services. Both local and senior managers are developing plans to support improvements in these areas

The charity has effective policies and procedures for raising and escalating concerns, including the Grievance and Whistleblowing policies.

The Board of Trustees is assured and updated regarding workforce engagement and terms and conditions of employment developments via Board Reports prepared by the organisation's Executive Management Team. Trustees are represented on various committees which oversee aspects of engagement activity, including:

- The Remuneration & Workforce Committee, which considers pay, benefits and employee health & wellbeing and all policy development relating to both our paid and volunteer workforce.
- The Central Health & Safety Committee which is responsible for ensuring that working environments are safe and appropriate for staff and volunteers.
- The Clinical Quality and Governance Committee which ensures staff have the support needed to work safely and effectively.

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- The Information Governance Group which ensures staff and volunteer data is protected and used appropriately.
 - The Education & Training Group which ensures staff and volunteers have the necessary training and development to fulfil their potential.

“Board Walks”, where Trustees and EMT members tour Pilgrims facilities and speak with staff and volunteers have continued throughout the year, providing accessibility and visibility of the senior leadership team to the wider workforce.

The “Coffee and Cake” initiative where staff and volunteers can meet with the Chief Executive and Chair of Trustees in an informal environment has also continued, with slight changes to its format following feedback from staff and volunteers to make the sessions more accessible.

Our Board Walks and Coffee and Cake initiatives give Trustees and senior leaders an opportunity to meet a wide range of staff and volunteers, to discuss matters raised at Board Sub-Committees and the Board of Trustees’ meeting and see the reality of the day to day operations on all of our sites.

Our gender pay reports are published in line with the Equality Act 2010, and can be viewed on our website at: <https://www.pilgrimshospices.org/about-us/work-with-us/>.

FUTURE PLANS AND OBJECTIVES

Think, Talk, Act

Following the successful pilot of Think in the final quarter of 2021-22, the Talk Pilot took place during the first quarter of 2022-23. Following the evaluation of both pilots, a full service specification will be developed for both programmes, in anticipation of gaining funding to roll this out across east Kent.

Statutory Funding

A key objective for Pilgrims remains obtaining equitable, sustainable, statutory funding from the Kent & Medway Integrated Care Board.

Over the course of 2022-23, significant progress was made with Commissioners who have acknowledged the need for a sustainable funding solution, and have committed to working with Kent and Medway on an appropriate funding model.

Work is expected to continue throughout 2023-24, with a view to a revised grant agreement being put in place from April 2024.

Canterbury New Build

In 2014 Pilgrims Hospices was approached by Pentland Homes and the Tory Foundation, offering to provide land as part of the planned Saxon Fields development for a new, purpose-built hospice in Canterbury, as well as a contribution to construction costs. As of 2022 the generous offer tabled by Pentland comprised the freehold title of the land and a £4 million donation.

During 2021-22, Pilgrims Hospices’ Board of Trustees unanimously agreed to accept the offer from Pentland Homes and the Tory Foundation and to designate the donation to a fund which would help finance the building of the new hospice.

During 2022-23 the stage 3 plans for a new hospice building were completed and some indicative costings produced. Due to the increased costs in the construction sector, these costs had increased significantly from the previous year.

A pre-planning application was made to Canterbury City Council for a potential residential scheme to be developed on the current London Road site, if Pilgrims Hospices relocates to a new hospice at Saxon Fields. This would be used indicatively with potential developers interested in developing the site, if the site was marketed, to ensure that we realise the best value possible for the site. This is key to our funding for the new hospice at Saxon Fields.

We are in the process of concluding a final agreement with Pentland Homes, to transfer the land to us in order for us to progress. However, we are aware that housing developments within the Canterbury area are being affected by concerns about water quality at Stodmarsh Nature Reserve near Canterbury. Natural England, who advise the Government, has issued guidance that has paused planned construction across many parts of east Kent as experts try and find and deliver approaches that will minimise the impact of housing developments on water quality at sites such as the Stodmarsh Nature Reserve. We anticipate that this will delay the project further, potentially by up to 2 years and as a result we are currently looking at our contingency options.

Canterbury New Build – Capital Appeal

In support of the new build, Pilgrims Hospices' Income Generation Team will be undertaking a capital appeal to raise in excess of £2 million to fund the fit-out costs of the new build. When the capital appeal is launched, it is expected that it will run for a period of 3 years.

Thanet Hospice Refurbishment

Prior to the pandemic, Pilgrims was planning a large-scale refurbishment of our Thanet hospice. This project was put on hold due to the COVID-19 pandemic and is now expected to take place following the completion of the Canterbury New Build.

In the medium-term, the refurbishment work is still important, as the building is nearly 30 years old and has the layout and features of a typical NHS facility. The demand for Pilgrims' services is continuing to grow and the type of care required has continued to change. Learning has also been taken from the COVID-19 pandemic, which has resulted in radical changes in operational best practice, and which will be incorporated into a refurbishment.

Recognising that a full refurbishment may still be some way off, the charity has committed funds in the short term to improve the environment for patients, carers, visitors, staff and volunteers.

During 2022-23 work commenced on an 18 month project to improve our Thanet hospice. Three projects were completed in 2022-23 and a further three will be completed in 2023-24. These are already making a significant difference to the patient and visitor experience on the site.

STRUCTURE & GOVERNANCE

Pilgrims Hospices is governed by a Board of Trustees numbering not less than five and not more than eighteen. As at 31 March 2023 there were nine trustees, following the appointment of Dr Peter Biggs and the resignation of Philip Bradshaw in September 2022. The Board of Trustees governs in accordance with the Articles of Association and Trustees bring relevant experience and skill sets from a variety of sectors, as determined by a regular skills audit, from which recruitment is driven. Over the period of this report, the sectors include, for example, clinical, business and legal experience

New Trustees are appointed initially by the Board following a formal process which includes interviews by the Nominations and Governance Committee and by the Chair leading to a recommendation by the sub-committee to the full Board. Applicants are sought from publicly advertised vacancies. Successful applicants are subject to election by the Members at the next Annual General Meeting following their appointment. Procedures are in place and regularly reviewed for Trustee induction and development. Trustees are required to complete mandatory training and a full induction to the charity is given to new trustees on and shortly following their

appointment.

Trustees are appointed for an initial three-year term and may be re-appointed for two further three-year terms. A Trustee who has served for 9 years can only be re-elected by unanimous resolution of the members and for a term not exceeding 2 years.

The Board normally meets four times a year to review strategy and performance and is supported in its work by a number of trustee-led sub-committees.

The Board recognises that good governance is essential for the success of the charity and has made good progress in developing its governance policies and practices in line with the principles set out in the Charity Governance Code for larger charities. The Nominations and Governance Committee continues to review progress with the full implementation of the Code through an action plan developed from the diagnostic tool made available from the Charity Commission.

Committees

Board committees have delegated powers of responsibility but executive authority is retained by the Board. They are chaired by a Trustee, have written terms of reference and provide linkage to the main Board and support to senior management. Trustees are selected as committee members having regard to their skills, knowledge and expertise and committees may include appropriately qualified individuals (thinking partners), who are not trustees, co-opted from outside the charity. Members of the Executive Management Team also attend committee meetings relevant to their professional area of expertise. Each Committee reports to the Board on any major issues discussed, with recommendations where decisions are required. Minutes of Committee meetings are circulated to the Board as a whole and each Committee identifies areas for consideration by other committees thus ensuring no Committee works in isolation.

The Finance Committee oversees the finances of the charity and its subsidiary company. It is responsible for reviewing and recommending to the Board the financial strategy along with the annual budget and monitors performance against these. The Committee also oversees the strategy for investing funds and keeps the Board informed of relevant general changes in the financial environment. It reviews risk plans and corporate risks relating to finance, investment and audit.

The Income Generation Committee supports all fundraising activities of the charity, as well as communicating the hospices' vision, mission, and services to patients, carers, healthcare professionals and the public. It reviews the fundraising plans and retail strategies before referring them to the Board for approval, as well as monitoring risks relating to Pilgrims' income generating activities.

The Clinical Assurance Committee, introduced in this reporting year, provides assurance to the Board of Trustees that the Clinical and Nursing and Care Services delivered by Pilgrims Hospices are subject to continual and regular review and improvement, and that the safety and care of the patients is a priority for all staff. The Committee monitors and reviews matters of escalated clinical governance and quality assurance activity and processes. It explores learning outcomes and opportunities and ensures adequate assurance on the implementation of key control and action plans in response to trends and anomalies in data reporting. The Committee reports directly to the Board of Trustees on matters as appropriate.

The Quality and Governance Board provides the Board of Trustees with assurance concerning all aspects of quality and safety relating to the provision of care and services in support of getting the best clinical outcomes and experience for patients, carers and their families. The Quality and Governance Board oversees the content and effectiveness of the structures, policies, systems and processes for quality assurance, clinical, information and quality governance. It assesses current and future risks to quality and safety which may be included in the clinical services and other risk registers. It also advises the Board of Trustees on any significant issues regarding quality, risk or compliance issues. The Quality and Governance Board is also responsible for overseeing matters

relating to information governance. Issues relating to information governance are handled by the Information Governance Group, which reports to the Quality and Governance Board.

The Major Projects Committee considers the current and future real estate requirements of Pilgrims Hospices and progresses the proposed projects in line with the strategy and budget approved by the Board of Trustees. The Committee considers the current and future operational needs of Pilgrims Hospices and how these needs could best be addressed.

The Remuneration and Workforce Committee reviews terms and conditions of employment, sets overall remuneration policy and oversees the development of workforce strategy. The Committee recommends annual pay awards to the Board of Trustees as well as monitoring risks relating to Pilgrims' workforce, recruitment and retention.

The Nominations and Governance Committee considers the corporate governance of the hospice. It reports to the Board of Trustees on any changes that may need to be made in order to comply with legal and regulatory requirements. It reviews the Board's skills mix and capabilities and makes recommendations on nominations for new membership to underpin the Board's capability and diversity and to provide robust governance and directorship of the hospice.

The Clinical Service Development Committee considers the development of clinical service proposals and service redesigns in line with the charity's agreed clinical strategy. The Committee ensures that any service development takes place in line with Pilgrims' charitable objectives and is sustainable from both a financial and service perspective. The Committee considers the needs of all stakeholders when developing service proposals and monitors risks relating to both service development and the wider Health and Social Care environment.

The Chief Executive and the Executive Management Team have delegated authority to manage the charity's operations on a day to day basis, within the annual budget approved by the Board of Trustees. They have the specific skills and experience to enable them to fulfil their roles and report progress on this at the quarterly Board meetings and through financial reports to the trustees.

In addition, the Executive Management Team meet formally quarterly to review all activity and adherence to the overall business plan. The output of these meetings and discussion points are disseminated throughout the business at regular management meetings. There is a flow of communication throughout the organisation which is cross functional and cross site with local issues managed at Local Management Team meetings. Issues can be escalated to the Executive Management Team and, where relevant, to the Board of Trustees. In addition, there are regular functional specific meetings with reviews of critical activity. This, together with additional weekly operational meetings, ensures that there is a robust management of the day to day running of the hospices.

Remuneration

The remuneration of key personnel is reviewed on an annual basis by the Remuneration and Workforce Committee, as part of its review of salary levels across the charity. This review ensures that remuneration is competitive within the charity and healthcare sector. The Committee considers a range of factors including increases in the national cost of living and the position of comparable organisations and wider healthcare and charity sector, as well as the current financial position of Pilgrims Hospices and the affordability of any increase. Every three years Pilgrims Hospices undertakes a full review of the duties, responsibilities, level of expertise and salaries of all posts across the charity. This information is compared with the lower quartile to median salaries of comparable posts for organisations with a similar overall income in the Third sector.

In 2022-23, two separate pay awards were made. Firstly, a fixed percentage to all staff at the beginning of the year, and then a second increase was awarded to clinical staff in October, as a response to pay rates increasing in the NHS (being our primary source of pay benchmarking in the healthcare sector). This reaction to changing benchmarks in the sector has been received favourably by employees.

Following spiralling costs of energy and general cost of living two new initiatives were put in place. A small payment was made to staff commuting to the workplace, to cushion the impact of rising fuel costs and a “trivial benefit” in the form of a gift voucher was awarded to all staff before the Christmas holiday period. Both initiatives received a strong positive response and helped strengthen the feeling of value that Pilgrim puts on its people.

Trustee Responsibilities

The Trustees (who are also Directors of Pilgrims Hospices in East Kent for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the group 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 charity and the group and of the incoming resources and application of resources, including the net income or expenditure of the group for the year. In preparing those financial statements, the trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and the group and which enable them to ensure that the financial statements comply with the Companies Act 2006.

Fundraising practices

The Charities (Protection and Social Investment) Act 2016 requires Pilgrims to provide extra information in its annual report about its fundraising activities. In particular, any agreements with professional fundraisers or commercial participators as well as providing information on compliance with voluntary fundraising regulations.

Pilgrims does not use consultant fundraisers to solicit gifts from prospects or donors. All gifts are solicited by Pilgrims Hospices' Fundraisers who follow guidelines stipulated by the Charity Commission and Fundraising Regulator. The charity is also mindful of the General Data Protection Regulation (GDPR) and has a Privacy Policy and a named Data Protection Officer. Pilgrims uses a Customer Relationship Management (CRM) system to record all donations to ensure appropriate levels of communication are maintained. Fundraising activities are monitored by a team of managers, the Director of Income Generation and Marketing, the Chief Executive Officer, The Income Generation Committee and the Board of Trustees.

Pilgrims is committed to following the highest standards and to ensuring a quality supporter experience. The charity has detailed procedures in place that in many cases go beyond the minimum requirements for the sector and against which the organisation regularly monitors its performance.

Some fundraising activity is conducted on behalf of the charity by carefully selected fundraising agencies. Pilgrims occasionally works with agencies to telephone existing supporters to talk to them about their donation and, on some occasions, to ask for a further donation. Pilgrims works very closely with its agencies to make sure they represent our work and our organisation to the highest standards.

During the year there were no incidences of non-compliance with fundraising and voluntary regulations set by the Fundraising Regulator. Pilgrims Hospices Complaints Register recorded two complaints from the general public, in relation to its income generation activities, both complaints were resolved satisfactorily.

Business relationships with suppliers

Having good business relationships helps to ensure the smooth running of the charity and Pilgrims is committed to establishing fair working practices with all suppliers, whilst delivering best value for the beneficiaries of the charity. The charity regularly reviews contracts with key suppliers and their performance in delivering the purchased goods and services. Payment terms are agreed with all business partners and where appropriate Service Level Agreements (SLA) are used. Pilgrims' Retail staff and volunteers are provided with training in customer service, handling complaints, and how to deal with difficult situations to assist them in providing the best service possible to customers. Refunds are provided for all goods returned within 14 days in the same condition as when sold, no matter what the reason for return. The charity recognises that sometimes things go wrong and Pilgrims Hospices has established a Complaints Policy for use by any individual about any aspects of the charity's services or work (for example staff, volunteers, patients, carers or members of the public). The policy is governed by a process which ensures all complaints are reviewed and addressed appropriately which is also published on the Pilgrims Hospices website.

ENVIRONMENT

Pilgrims Hospices recognises that the protection of the natural environment and establishing an environmentally sustainable model of operation is essential to the long-term welfare of the charity's beneficiaries and the wider community. Pilgrims is committed to minimising its impact on the environment, including through reducing energy consumption, maximising opportunities for recycling and making sustainable procurement decisions.

In addition to environmental benefits, increasingly sustainability provides direct and indirect financial benefits, primarily through reduced costs, but also through an increased and positive reputation.

In 2022-23 we introduced our first Environmental & Sustainability Strategy to support our policy.

The 3 main pillars of the strategy are:-

- Energy & Water Management
- Waste Management
- Travel Management

These pillars are supported by two key foundations – the culture of our staff and volunteers and the investment that may be required to deliver the strategy.

Sustainable Energy

At the end of 2022-23 we undertook a project to install 116 solar panels at our Ashford Hospice site. The cost of this project was funded by two extremely generous donations.

This was our first sustainable energy project. It is anticipated that this project will provide around 20% of the Ashford hospice's electricity usage and will save 10.43 tonnes of CO2 emissions. This is equivalent to planting 479 trees a year for the duration of the 25 year life span of the solar panel system.

As part of our Environmental & Sustainability strategy we will continue to look for other

opportunities to expand our use of sustainable energy.

Energy

Pilgrims uses energy in the form of gas, electricity and fuel for vehicles. Much of the charity's energy consumption relates directly to activity, and therefore overall levels of energy use have historically trended up as the overall level of activity the organisation undertakes has increased. However, the charity is working to mitigate the impact of increased activity through investments in energy efficiency such as sustainable energy projects, LED lighting and insulation, as well as encouraging the adoption of energy-conscious behaviours, such as vehicle sharing.

Reducing Waste

Pilgrims Hospices has comprehensive waste management contracts which ensure that the charity can maximise the volume of waste material which can be recycled, limiting material that ends up in landfill or incineration.

In addition to general waste management, specific recycling programmes have been put in place for both metal and used cooking oil, which see these materials sold for re-processing. In addition to being environmentally sustainable, these programmes are also income generative, realising funds to support the charity.

The organisation's extensive network of charity shops also support sustainability locally, providing an avenue for local residents to donate their unwanted personal possessions, diverting many of these items from household waste streams.

Streamlined Energy & Carbon Reporting:

The Streamlined Energy and Carbon Reporting Regulations require Pilgrims to make the following disclosures in relation to energy consumption.

2022-23 is the fourth year that the charity has collected this data and the below table provides a comparison to the 2021-22 data. This comparison shows an overall increase in energy usage for 2022-23, however, this largely reflects the increase in activity following the end of COVID restrictions as anticipated.

It should be noted that during the year we took on another retail outlet, Store50 in Canterbury, which is partly the cause for the increased electricity usage during the period.

While some opportunities do exist to reduce energy use and drive energy efficiency, these are limited. Specifically, the sites which would benefit most from investment in energy are sites where such investment is not commercially viable, including or shops which are occupied on short-term leases and where Pilgrims is not responsible for the fabric of the building. It is also anticipated that developments across the organisation may increase overall energy during the medium-term, including an increase in community-based clinical activity, and continued expansion of the retail logistics division.

The organisation achieved Phase Two ESOS compliance in December 2019 and has taken significant steps towards reducing energy use. The ESOS Phase Three assessments are planned for 2023-24 and we plan to expand this assessment approach by completing Net-Zero audits at our hospice sites not directly assessed through ESOS.

Energy usage in 2022-23 and comparison to 2021-22

Measure	2022-23	2021-2022	% Change
Gas Usage CO2e	329,380.5	351,846.6	-6.39%
Gas use intensity KWh per m2	214.9	229.6	-6.39%
Gas use intensity CO2e per m2	39.6	42.3	-6.39%
Electricity usage CO2e	189,111.3	172,435.5	9.67%
Electricity use intensity KWh per m2	86.4	79.9	8.10%
Electricity use intensity CO2e per m2	18.3	17.0	7.85%
Travel Data CO2e	115,484.0	102,877.0	12.25%

Notes on Preparation:

The above data includes all Scope One and Two emissions as defined by the Greenhouse Gas Protocol. Scope Three emissions relate to emissions generated by third parties, are largely beyond Pilgrims Hospices' control and sit outside of the SECR requirements, and as such have not been included in the above figures.

Greenhouse gas (GHG) emissions have been calculated using the 2022 UK DEFRA condensed carbon conversion factors dataset and emissions are presented in CO2e (Carbon Dioxide Equivalent). For buildings, an energy intensity metric of kWh per m2 has been identified as the most appropriate measure, using data from annual energy bills. When calculating intensity ratios for gas, only premises with an installed gas supply were included when calculating the total square metres used.

The above reported figures do not include usage for premises where the organisation has service agreements and/or is not charged for energy usage as a tenant due to a lack of access to this data.

For electricity, full year CO2e figures for each individual supply were not available. Pilgrims therefore used the 2022 average energy supplied in the UK according to the 2022 UK DEFRA condensed carbon conversion factors dataset.

Information regarding the size or type of fuel used in employees' personal vehicles is not available. CO2e has therefore been calculated for claimed mileage based on the 2022 UK DEFRA condensed carbon conversion factors dataset, using the "average" personal vehicle and "unknown" fuel types.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees regularly assess the risks and uncertainties to which the charity is exposed. The approach to risk is in accordance with a Risk Management Policy. A formal risk register is in place and the Trustees have adopted a risk management strategy whereby those risks are identified, the level of risk is assessed and systems for ameliorating them are put in place and regularly reviewed. The Board of Trustees reviews the risk register at their quarterly meetings.

The risk register is reviewed quarterly at a meeting of the Executive Management Team and each member thereof, in turn, is responsible for managing identified risks, identifying further risks and reporting these upwards to the Trustees for review. Sub-committees of the Board of Trustees, whose members comprise those with the skills and knowledge specific to the risks under review, report regularly to the Board as described above.

The risk register captures and categorises the risks across five broad areas of Pilgrims' activities namely, governance, operational, financial, external and environmental. The overriding risk to Pilgrims is the inability to deliver its mission statement, but this risk will have causal risks arising in

the five areas noted above.

Financial risk includes the loss of income arising from a loss of reputation and the Trustees also recognise that the charity relies on two material amounts of funding arising from legacies and the NHS grant. Action is being taken to encourage the continued flow of legacies. At the time of writing, the key financial risk was in securing adequate levels of statutory income. Pilgrims maintains a strong relationship with the NHS to secure the continuance of the grant, and is in discussions with Commissioners, along with other local area hospices, to determine an appropriate level of funding apportioned to those providing end of life care, in line with Commissioning Frameworks. However, although there has been regular engagement with Commissioners during 2022-23, until the structures to form the new Integrated Care System are fully in place, Commissioners have not been able to confirm funding arrangements for future years beyond 2023-24.

Operational risks at this time include the difficulties in being able to recruit and retain suitably qualified staff and volunteers and this particular risk is also faced by many parts of Health and Social Care. Currently Pilgrims has a near full complement of clinical and support staff. There are however continued challenges in recruiting Consultant grade doctors and specialist registered nurses, reflecting a national problem amongst hospices providing end of life care due to the scarcity of doctors at this level in this area of specialism and the scarcity of qualified nurses.

Workforce risks have a knock-on effect on other operational risks, in that they impact on the provision of appropriate, safe levels of staffing and also on health and safety practices more generally. For the time being there are no concerns over safe staffing levels but the Board and the Executive Management Team continue to monitor the situation.

The heightened threat from cyber-attacks means that cyber security and the maintenance of secure IT services is now a ubiquitous risk in the risk register.

As work progresses on the project to build a new hospice at Canterbury, risks relating to this project are now beginning to feature more prominently in the risk register.

RELATED PARTIES AND RELATIONSHIPS WITH OTHER ORGANISATIONS

None of the Trustees receive remuneration or other benefit from their work with the charity. Trustees are able to claim any reasonable out-of-pocket expenses, incurred in the course of conducting the charity's business.

Trustees and senior managers are required to declare any interests that they may have outside of the charity. Transactions and contractual relationships with related parties must be disclosed.

Pilgrims Hospices in East Kent has three wholly owned subsidiaries. All are registered in England, are limited by share capital and have as their registered office 56 London Road, Canterbury, Kent CT2 8JA. Two of the subsidiaries are now dormant and the third operates as a trading company, transferring its taxable profits to Pilgrims Hospices in East Kent.

Hospice Shops Limited (No. 1623758, director K Warden) is now a dormant company.

Pilgrims Hospice Lottery Limited (No. 3130167, director K Warden) is now a dormant company.

Pilgrims Hospices Trading Limited (No. 07993259, director K Warden) handles the taxable trading activities of the charity, other than the running of the charity shops, and, along with the charity, is registered for VAT under a group registration scheme.

The charity is registered with a number of regulatory bodies, including the Charity Commission, Care Quality Commission, Fundraising Regulator, Gambling Commission and Information Commissioner's Office.

The charity is a member of Hospice UK, an umbrella body which supports hospices throughout the UK.

FINANCIAL REVIEW

The Statement of Financial Activities for the year is set out on page 31 of the financial statements. A summary of the financial results and the work of the charity is set out below. Note 22, which supports the Statement of Financial Activities on pages 58 to 60, shows how funds have been received and applied during the year.

During the year under review, the net movement in funds was a surplus of £912,000 after investment losses of £313,000, compared to a surplus of £6,710,000, after investment gains of £589,000, in the previous year.

Our income generation activities from donations and legacies raised £4,744,000 (2021-22: £8,920,000) representing a decrease of £4,176,000 compared to 2021-22, however, the prior year benefitted from a significant donation of £4 million, which the Board has designated as funding towards the building of a new Canterbury hospice. The result in 2022-23 is nonetheless a notable achievement from the Pilgrims fundraising teams and includes three significant donations of £250,000.

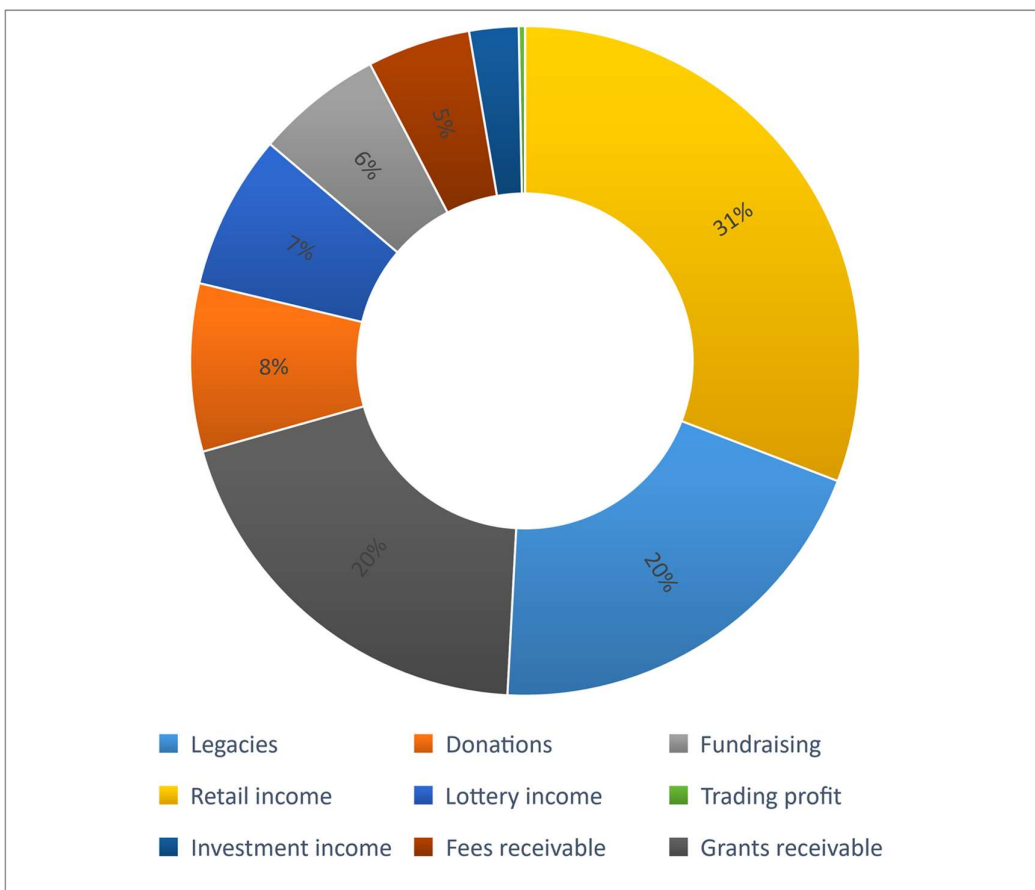
Legacy income was over £3.3 million for the year. This was £400k lower than the figure for 2021-22, but nonetheless a very good result and well above average annual legacy income earned pre-pandemic.

The Retail operation, as mentioned above, (excluding the trading subsidiary) has performed exceptionally well during 2022-23. The operation delivered a profit of £2.3 million on income of £5.1 million compared to net profit of £2 million on income of £4.5 million in the previous year. This was an exceptional result in the face of continued difficult trading conditions in the high street.

The Lottery remained strong with a turnover of just over £1.2 million and produced a net profit of over £740,000. Expenditure decreased by over £100,000 in 2022-23 mainly as a result of a national shortage of canvassers to recruit new Lottery players.

The grant from the local NHS Integrated Care Board (ICB) under a service funding agreement amounted to £3.3 million, approximately 20% of total running costs. This included additional funding from the ICB in the first quarter of the year in order to keep open additional beds at the Thanet hospice. From December 2022 onwards, some further funding was provided by the ICB for additional beds at the Thanet and Ashford hospices, under a winter beds arrangements to free up capacity in the local hospitals.

Set out below is a chart showing how diverse our sources of income are, but also demonstrating that in 2022-23 retail income comprised the largest percentage.



Overall expenditure rose by 8.7 %, from £14,267,000 to £15,515,000. The increase was in the main the result of service levels increasing back to pre-COVID rates and increases in clinical staffing costs to keep in step with NHS rates introduced in the year, as well as implementing one-off rises to assist staff with cost of living increases.

The investment portfolio received a further £1 million of investment in the year, but overall experienced an unrealised loss of £487,000, as a result of concerns in world markets about the continuation of the war in Ukraine and the impact of persistently high inflation on the global economy. There was an additional investment property recognised in the year, arising from the conversion of shop space to a flat above the Pilgrims shop in Birchington.

Reserves Policy

The Trustees review their policy each year. In conducting their review they take into consideration best practice and the guidance issued by the Charity Commissioners.

In considering the reserves position, the Trustees review:

- that provision of this type of care involves ongoing running costs, currently in the region of £11,100,000 per year, just under two thirds of which has to be derived from voluntary sources;
- over 85% of this amount is directly invested in providing these services;
- there is a requirement to provide assurance to those who give so generously that the Trustees will be able to continue to provide patient care to meet the ever more demanding needs of the community;
- the income generation activity has an annual cost to the charity of approximately £4,000,000 and accordingly we need to generate approximately £15,500,000 per year, in a normal year.

The charity has the following categories of reserves:

Designated Reserves

'Fixed assets fund' holds the fixed assets used by Pilgrims to provide the facilities for the patients, their families and carers. Designated reserves include the Canterbury Hospice Fund, which was been set up in 2021-22 as a fund into which was placed a donation of £4 million from Pentland Homes and the Tory Foundation. Trustees have designated this donation as funding with which to design and build a new hospice in Thanington. Other income funds raised specifically for the project will also be allocated to this fund.

Restricted Reserves

These are reserves only available for expenditure in accordance with the donor's directions.

Revaluation Reserves

These represent the accumulated gains in revaluation of investment properties.

Free Reserves

These are retained by the Trustees to give assurance to those who use Pilgrims' services and those who give of their time and money, that the Trustees will be able to sustain their commitment to provide specialist palliative care services to patients and support to their families and carers. The reserves are set at a level to withstand any short-term setback, whether operational, in the investment markets, or in key sources of income such as legacies. Liquid free reserves at 31 March 2023 stood at £14.6 million (2022: £13,500,000) which includes £8,471,000 (2022: £7,913,000) invested in quoted investments but excludes designated funds and £4,300,000 (2022: £4,100,000) in investment properties. The Trustees have agreed that the total of free reserves, i.e. those that are not used in the day to day operation of the charity, must not be less than £7,700,000, sufficient to cover around six months operating expenditure and in the light of the uncertainties as a result of the pandemic, the Trustees consider this level of reserves to be appropriate.

The Trustees recognise that the actual level of free reserves carried to date is significantly higher than the agreed minimum. However, they consider that in the present circumstances of a difficult economic climate, with soaring energy costs and a persistently high inflation rate, together with uncertainty over the level of funding Pilgrims can expect from the Integrated Care Board and at the point the charity is about to embark on a major capital project, maintaining a sizeable level of free reserves is prudent and necessary in order to be certain that Pilgrims can maintain a high standard of patient care.

INVESTMENT POLICY AND PERFORMANCE

At the end of the year there was £10,903,000 (2022: £9,528,000) available in cash and near cash, (in the form of short terms investments), as well as a high level of debtors which are monitored; at current financial levels of expenditure the charity requires on average around £1,200,000 per month to cover running costs, including fundraising costs. However, when the need arises, the charity is able to liquidate medium term investments very quickly. The balance of the reserves is held in a portfolio comprising properties, government and other fixed interest securities and equities. The Trustees recognise the need to spread the investment risk in managing the reserves. They also acknowledge that investments should look to take into account, where possible, social, environmental and ethical considerations. For this reason the Trustees have stipulated that there should be no direct investment in tobacco manufacture and armaments production.

The investment properties comprise residential properties that the charity has inherited or acquired and which the Trustees retain, having taken appropriate advice, as they provide potential for capital growth and income. The Trustees are confident that, having taken advice, the carrying value of the properties at £4,300,000, a surplus of £2.8 million over acquisition value, is an accurate reflection of their market value as at 31 March 2023.

The general investment policy for the investment portfolio, adopted by the Trustees and managed by the investment advisers, Coutts & Co, is to grow the investments above inflation whilst receiving an income, in the context of achieving these objectives in a time horizon of 5 to 8 years and within

a risk category of medium to medium high. The Coutts portfolio manager actively monitors portfolio volatility and discusses the risks with Trustees at regular portfolio meetings.

Coutts report that in the 12 month period to 31 March 2023 the weighted net return on the portfolio was a negative 5.2%, compared to a return of 2.9% for the 12 months to 31 March 2022. This result was 2% behind the portfolio benchmark, which returned a negative 3.2%. However, the benchmark result does not include the cost of investing in its return figures. Furthermore, an ESG (environmental, social and governance) screen was in place on a large part of the Pilgrims portfolio, which made the portfolio underweight in sectors that outperformed in the year compared to the benchmark – the underweight positioning in oil stocks in particular.

The portfolio lost value from February 2022 onwards prompted by the concerns over rising inflation, brought about by COVID-19 related impacts such as supply chain problems. Commencement of the war in Ukraine fuelled these concerns. The war drove energy prices higher, with sanctions imposed on Russia and contributed to rising food prices, due to decreased wheat supplies from Ukraine. Counterintuitively, continued strong employment figures across the globe were taken negatively as it added to fears that inflation would remain entrenched.

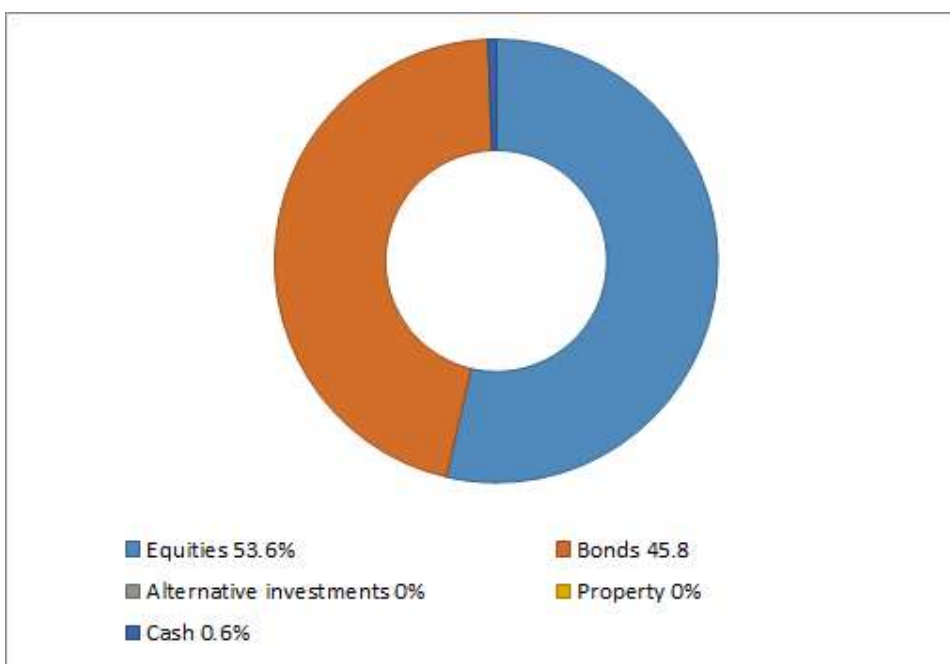
Central Banks in the US, UK and Europe raised interest rates rapidly to try and temper inflation, with sticky economic indicators causing outlook uncertainty. Markets did not respond well to this uncertainty. In particular, the bond market struggled during the year, as yields rose to levels not seen in over a decade. The government bond component of the portfolio was diversified away from solely UK exposure to G7 Government bonds during the year. This helped reduce losses, with US Treasuries faring better than UK Gilts, as the US seemingly had better control over inflation.

Equities also had a tough year, but diversification in the portfolio saved it from further losses, as the tech-heavy S&P500 fell almost 20% in 2022, whilst the FTSE 100 ended roughly flat for the year, with the portfolio having 20% weighting to the UK. The exposure to equities in the portfolio, being in a balanced mandate, helped performance during the year.

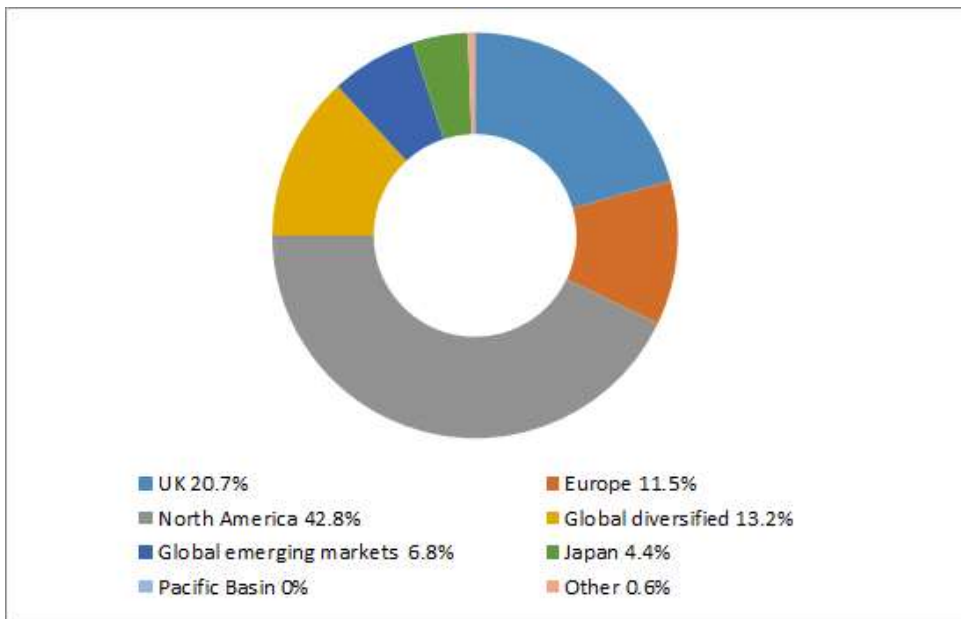
In October Pilgrims invested a further £1 million in the portfolio following advice from Coutts, as a means of reducing the impact of inflation on its reserves. It also invested £5 million of cash reserves in NatWest money market accounts.

The asset distribution of the investment portfolio as at 31 March 2023 is set out below:

Asset class distribution



Geographic distribution



STATEMENT OF DISCLOSURE TO THE AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- So far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- That each Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the Charitable Company's auditors are aware of that information.

Charity Website

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

This report, including the Strategic Report, was approved by the Trustees, in their capacity as company directors on 26 September 2023 and signed on behalf of the company by:

Karen Warden
Chair

Pilgrims Hospices In East Kent

Statement of Trustees' responsibilities For the year ended 31 March 2023

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Pilgrims Hospices in East Kent

Independent auditor's report to the members of Pilgrims Hospices in East Kent

Opinion

We have audited the financial statements of Pilgrims Hospices in East Kent (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 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.

Pilgrims Hospices in East Kent

Independent auditor's report to the members of Pilgrims Hospices in East Kent

Conclusions relating to going concern (continued)

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 Pilgrims Hospices in East Kent's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other Information

The other information comprises the information included in the trustees' annual report, including the strategic 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, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

Pilgrims Hospices in East Kent

Independent auditor's report to the members of Pilgrims Hospices in East Kent

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, including the strategic 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

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.

Pilgrims Hospices in East Kent

Independent auditor's report to the members of Pilgrims Hospices in East Kent

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 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;
 - 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.

Pilgrims Hospices in East Kent

Independent auditor's report to the members of Pilgrims Hospices in East Kent

Capability of the audit in detecting irregularities (continued)

- 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.

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.

Joanna Pittman (Senior statutory auditor)

10 October 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

Pilgrims Hospices In East Kent

Consolidated Statement of financial activities (incorporating income and expenditure account) For the year ended 31 March 2023

	Note	Restricted funds 2023 £000	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Income from:					
Donations and legacies	3	1,550	3,195	4,745	8,920
Charitable activities	4	4	4,118	4,122	4,450
Other trading activities	5	-	7,477	7,477	6,710
Investments	6	-	396	396	308
Total income		1,554	15,186	16,740	20,388
Expenditure on:					
Charitable activities:					
Fundraising costs		-	4,094	4,094	3,832
Investment management		-	52	52	118
Charitable activities		1,511	9,858	11,369	10,317
Total expenditure		1,598	13,917	15,515	14,267
Net (expenditure)/income before net (losses)/gains on investments		(44)	1,269	1,225	6,121
Net (losses)/gains on investments		-	(313)	(313)	589
Net movement in funds		(44)	956	912	6,710
Reconciliation of funds:					
Total funds brought forward		420	30,118	30,538	23,828
Net movement in funds		(44)	956	912	6,710
Total funds carried forward		376	31,074	31,450	30,538

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 35 to 65 form part of these financial statements.

Consolidated balance sheet
As at 31 March 2023

	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets	14	8,315	8,563
Investments	16	8,521	8,040
Investment property	15	4,319	4,100
		21,155	20,703
Current assets			
Stocks	17	15	14
Debtors	18	3,869	4,327
Investments	19	3,500	-
Cash at bank and in hand		7,403	9,527
		14,787	13,868
Creditors: amounts falling due within one year	20	(4,492)	(4,033)
Net current assets		10,295	9,835
Total net assets		31,450	30,538
Charity funds			
Restricted funds	22	376	420
Unrestricted funds	22	31,074	30,118
Total funds		31,450	30,538

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Karen Warden
Chair
Date: 26 September 2023

The notes on pages 35 to 65 form part of these financial statements.

Company balance sheet
As at 31 March 2023

	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets	14	8,315	8,563
Investments	16	8,521	8,040
Investment property	15	4,319	4,100
		21,155	20,703
Current assets			
Debtors	18	3,877	4,329
Investments	19	3,500	-
Cash at bank and in hand		7,353	9,482
		14,730	13,811
Creditors: amounts falling due within one year	20	(4,484)	(4,024)
Net current assets		10,246	9,787
Total net assets		31,401	30,490
Charity funds			
Restricted funds	22	376	420
Unrestricted funds	22	31,025	30,070
Total funds		31,401	30,490

The Company's net movement in funds for the year was £911,000 (2022 - £6,662,000).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 26 September 2023 and signed on their behalf by:

Karen Warden
Chair

The notes on pages 35 to 65 form part of these financial statements.

Pilgrims Hospices In East Kent

Consolidated statement of cash flows For the year ended 31 March 2023

	2023 £000	2022 £000
Cash flows from operating activities		
Net cash used in operating activities	2,118	6,247
Cash flows from investing activities		
Dividends, interests and rents from investments	396	308
Purchase of tangible fixed assets	(126)	(129)
Proceeds from sale of investments	4,504	3,786
Purchase of investments	(5,472)	(3,750)
Proceeds from sale of investment property	(45)	-
Net cash (used in)/provided by investing activities	(743)	215
Change in cash and cash equivalents in the year	1,375	6,462
Cash and cash equivalents at the beginning of the year	9,528	3,066
Cash and cash equivalents at the end of the year	10,903	9,528

The notes on pages 35 to 65 form part of these financial statements

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2023

1. General information

Pilgrims Hospices in East Kent is a charitable company limited by guarantee and is incorporated in England.

The registered office address is 56 London Road, Canterbury, Kent, CT2 8JA.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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 because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

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

The financial statements are presented in sterling which is the functional currency of the Charity, and are rounded to the nearest thousand.

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.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Company and its subsidiary undertaking. The results of the subsidiary are consolidated 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 because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

2.2 Public benefit entity

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

**Notes to the financial statements
For the year ended 31 March 2023**

2. Accounting policies (continued)

2.3 Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Free reserves stand at eleven months of ongoing expenditure. The cash flow forecast and current budget projections indicate that Pilgrims has sufficient funds to finance itself during the next 12 months, from the date of signature of 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.

2.4 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.

Legacies are reviewed on a case-by-case basis. For pecuniary legacies, entitlement is taken at the earlier of the date on which either: the charity is aware that probate has been granted, and the amount receivable can be measured reliably, and the receipt is probable; or when a distribution is received from the estate. For residuary legacies, entitlement is taken at 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. 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 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.

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

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. However, the trustees' annual report provides information about Pilgrims' volunteers and the contribution that they make to the charity.

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.

2.5 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:

**Notes to the financial statements
For the year ended 31 March 2023**

2. Accounting policies (continued)

2.5 Expenditure and irrecoverable VAT (continued)

Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose

Expenditure on charitable activities includes the costs of providing care and educational activities 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.

2.6 Interest receivable

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

2.7 Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Support costs are the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function.

Fundraising support costs are the support costs directly attributed to the Lottery and Retail departments of the charity.

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.

Support and governance costs are re-allocated to each of the activities according to the proportion of total direct costs attributable to each of those activities.

	Support	Governance
	%	%
In patient	68	80
Community services	11	13
Counselling	4	4
Information and education	2	3
Governance	15	-

2.8 Tangible fixed assets and depreciation

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.

**Notes to the financial statements
For the year ended 31 March 2023**

2.8 Tangible fixed assets and depreciation (continued)

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:

Freehold property	- 50 years
Long-term leasehold property	- 50 years
Motor vehicles	- 4 years
Fixtures and fittings	- 4-5 years
Computer equipment	- 5-10 years
Freehold land	- not depreciated

2.9 Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'net gains/(losses) on investments' in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

Investments in subsidiaries are valued at cost less provision for impairment.

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value. Investment properties are not depreciated. Fair value is determined annually by the Trustees based on advice received. Any change in fair value is recognised in 'net gains/(losses) on investments' in the statement of financial activities. The valuation method used to determine fair value will be stated in the notes to the accounts.

2.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.12 Cash at bank and in hand

Cash at bank and 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.

Notes to the financial statements

For the year ended 31 March 2023

2.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

2.14 Financial instruments

The Group 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.

2.15 Operating leases

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

**Notes to the financial statements
For the year ended 31 March 2023
2.16 Pensions**

The Group operates a defined contribution pension scheme open to all employees. However, certain employees are already members of professional pension schemes to which Pilgrims Hospices in East Kent continues to make contributions as their employer. The pension costs charged in the financial statements represent the contributions payable by the Group during the year.

Baptist Pension Scheme

The Charity also participated in the Baptist Pension Scheme (the Plan). The Plan is funded and is not contracted out of the state scheme. It is a multi-employer pension plan and it is not possible, in the normal course of events, to identify, on a reasonable and consistent basis, the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the Plan, the accounting charge for the period under review represents the employer contribution payable. While the Plan is primarily a defined contribution scheme it has inherent guarantees that mean the Group may need to make further contributions to meet deficits. During the prior year, the charity exited the Plan and paid off all liabilities owed up to that point.

Further details are provided in Note 28.

NHS Pension

Staff transferring from the NHS may continue to contribute to the NHS scheme.

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

i) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2022, is based on valuation data as 31 March 2021, updated to 31 March 2022 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

**Notes to the financial statements
For the year ended 31 March 2023
2.16 Pensions (continued)**

ii) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay.

The 2016 funding valuation also tested the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. There was initially a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

HMT published valuation directions dated 7 October 2021 (see Amending Directions 2021) that set out the technical detail of how the costs of remedy are included in the 2016 valuation process. Following these directions, the scheme actuary has completed the cost control element of the 2016 valuation for the NHS Pension Scheme, which concludes no changes to benefits or member contributions are required. The 2016 valuation reports can be found on the NHS Pensions website at <https://www.nhsbsa.nhs.uk/nhs-pension-scheme/accounts-and-valuation-reports>.

2.17 Fund accounting

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.

Restricted funds are to be used for specific purposes as laid down by the donor, or where donations are received in response to fundraising by the Charity for particular purposes. Expenditure which meets these criteria is charged to the fund.

Investment income, gains and losses are allocated to the appropriate fund.

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2023

3. Income from donations and legacies

	Restricted funds 2023 £000	Unrestricted funds 2023 £000	Total funds 2023 £000
Donations	187	1,229	1,416
Legacies	1,363	1,966	3,329
	1,550	3,195	4,745

	Restricted funds 2022 £000	Unrestricted funds 2022 £000	Total funds 2022 £000
Donations	132	5,082	5,214
Legacies	1,830	1,876	3,706
	1,962	6,958	8,920

At the balance sheet date, Pilgrims had received notice of £750,300 (2022: £568,000) of reversionary legacies which may become receivable in the future. These legacies are gifts of money or assets which only take effect subject to the prior right of a named person or persons to receive the benefit of those monies or assets, or income produced by them, during the person or persons lifetime. The gift then passes absolutely to Pilgrims as the “reversionary beneficiary” on the death of the named person or persons.

Besides these reversionary legacies, there was potential legacy income to a value of £3,722,924 (£1,085,771 in 2021-22, restated from £739,590) from legacies that were pending confirmation of probate or awaiting receipt of the estate accounts. The reason for the substantial increase in the potential legacy income figure for 2022-23, compared to the prior year, is that Pilgrims changed the way it recorded these legacies, where in the past the potential bequest value was not always recorded. Potential bequest values are now recorded consistently where they are known.

4. Income from charitable activities

	Restricted funds 2023 £000	Unrestricted funds 2023 £000	Total funds 2023 £000
Grants receivable	4	3,289	3,293
Fees receivable	-	829	829
	4	4,118	4,122

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2023

4. Income from charitable activities (continued)

	Restricted funds 2022 £000	Unrestricted funds 2022 £000	Total funds 2022 £000
Grants receivable	807	3,108	3,915
Fees receivable	-	535	535
	<u>807</u>	<u>3,643</u>	<u>4,450</u>

Included above in grants receivable is a Local Health Authority Grant from the local NHS Integrated Care Board (ICB) awarded under a service funding agreement for the provision of specialist palliative and Hospice at Home care.

NHS England (NHSE) awarded funding (distributed via Hospice UK) to allow the hospice to make available bed capacity and community support from December 2021 to March 2022, to provide support to people with complex needs as a result of the continuing COVID-19 pandemic and specifically during the surge in infections caused by the Omicron variant.

5. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2023 £000	Total funds 2023 £000
General fundraising	53	53
Proceeds of events	967	967
Income from Retail	5,133	5,133
Income from Lottery	1,246	1,246
	<u>7,399</u>	<u>7,399</u>

	Unrestricted funds 2022 £000	Total funds 2022 £000
General fundraising	132	132
Proceeds of events	861	861
Income from Retail	4,469	4,469
Income from Lottery	1,186	1,186
	<u>6,648</u>	<u>6,648</u>

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2023

5. Income from other trading activities (continued)

Income from fundraising events (continued)

Income from non charitable trading activities

	Unrestricted funds 2023 £000	Total funds 2023 £000
Trading sales	78	78

	Unrestricted funds 2022 £000	Total funds 2022 £000
Trading sales	62	62

6. Investment income

	Unrestricted funds 2023 £000	Total funds 2023 £000
Investment properties	210	210
Listed investments	99	99
Interest receivable on cash deposits	87	87
	396	396

	Unrestricted funds 2022 £000	Total funds 2022 £000
Investment properties	186	186
Listed investments	122	122
	308	308

Pilgrims Hospices in East Kent

**Notes to the financial statements
For the year ended 31 March 2023**

7a Analysis of expenditure (current year)

	Charitable activities							
	Fundraising costs £'000	Investment management £'000	In-patient £'000	Community services £'000	Counselling £'000	Information and education £'000	2023 Total £'000	2022 Total £'000
Direct costs								
Staff costs (note 10)	550	-	6,045	1,450	315	80	8,440	7,777
Staff agency costs	-	-	244	-	-	-	244	191
Food	-	-	110	-	-	-	110	70
Medical supplies	-	-	90	-	-	-	90	132
Laundry and cleaning	-	-	86	-	-	-	86	84
Heat, light and water	-	-	170	-	-	-	170	146
Repairs and maintenance	-	-	330	-	-	-	330	247
Postage, printing and stationery	143	-	22	-	-	-	165	102
Recruitment advertising and fees	-	-	-	-	-	-	-	-
Telephone	-	-	10	37	-	-	47	50
Insurance	-	-	-	-	-	-	-	-
Travel	-	-	106	34	1	4	145	152
Course fees and expenses	-	-	-	-	-	67	67	62
Professional books and journals	-	-	-	-	-	-	-	1
Costs of education centre	-	-	-	-	-	21	21	7
Prizes	216	-	-	-	-	-	216	212
Other costs	258	-	96	2	-	-	356	428
Trading company costs of sales	23	-	-	-	-	-	23	14
Publicity	7	-	-	-	-	-	7	8
Event costs	-	-	-	-	-	-	-	-
Investment property costs	-	18	-	-	-	-	18	82
Investment management fees	-	34	-	-	-	-	34	36
Depreciation	-	-	318	-	-	-	318	309
	1,197	52	7,627	1,523	316	172	10,887	10,110
Support costs (note 8a)	2,897	-	1,161	232	48	26	4,364	3,904
Governance costs (note 8a)	-	-	208	42	9	5	264	253
Total charity expenditure 2023	4,094	52	8,996	1,797	373	203	15,515	
Total charity expenditure 2022	3,832	118	8,253	1,358	457	249		14,267

Pilgrims Hospices in East Kent

**Notes to the financial statements
For the year ended 31 March 2023**

7b Analysis of expenditure (prior year)

	Charitable activities						
	Fundraising costs £'000	Investment management £'000	In-patient £'000	Community services £'000	Counselling £'000	Information and education £'000	2022 Total £'000
Direct costs							
Staff costs (note 10)	577	-	5,605	1,077	378	140	7,777
Staff agency costs	-	-	191	-	-	-	191
Food	-	-	70	-	-	-	70
Medical supplies	-	-	132	-	-	-	132
Laundry and cleaning	-	-	84	-	-	-	84
Heat, light and water	-	-	146	-	-	-	146
Repairs and maintenance	-	-	247	-	-	-	247
Postage, printing and stationery	84	-	18	-	-	-	102
Recruitment advertising and fees	-	-	-	-	-	-	-
Telephone	-	-	10	40	-	-	50
Insurance	-	-	-	-	-	-	-
Travel	-	-	116	33	1	2	152
Course fees and expenses	-	-	-	-	-	62	62
Professional books and journals	-	-	-	-	-	1	1
Costs of education centre	-	-	-	-	-	7	7
Prizes	212	-	-	-	-	-	212
Other costs	343	-	75	2	8	-	428
Trading company costs of sales	14	-	-	-	-	-	14
Publicity	8	-	-	-	-	-	8
Event costs	-	-	-	-	-	-	-
Investment property costs	-	82	-	-	-	-	82
Investment management fees	-	36	-	-	-	-	36
Depreciation	-	-	309	-	-	-	309
	1,238	118	7,003	1,152	387	212	10,110
Support costs (note 8a)	2,594	-	1,047	173	59	31	3,904
Governance costs (note 8a)	-	-	203	33	11	6	253
Total charity expenditure 2022	3,832	118	8,253	1,358	457	249	14,267

Pilgrims Hospices in East Kent

Notes to the financial statements
For the year ended 31 March 2023

8a Support and governance costs (current year)

	Fundraising costs £'000	In-patient £'000	Community services £'000	Charitable activities			2023 Total £'000	2022	Total £'000
				Counselling £'000	Information and education £'000	Governance £'000			
Staff costs	1,389	744	149	31	17	169	2,499		2,257
Staff agency costs	254	-	-	-	-	-	254		248
Repairs and maintenance	84	-	-	-	-	-	84		121
Postage, print and stationery	-	9	2	-	-	2	13		16
Telephone	-	-	-	-	-	-	-		-
Travel	-	-	-	-	-	-	-		-
Occupational health	-	-	-	-	-	-	-		-
Life assurance	-	11	2	-	-	2	15		24
Computer costs	-	131	26	5	3	30	195		195
Bank charges	-	22	4	1	-	5	32		34
Auditors' remuneration	32	-	-	-	-	-	32		27
Professional and consultancy fees	-	122	24	5	3	28	182		29
Other shops and lottery costs	607	-	-	-	-	-	607		520
Rent and rates	530	-	-	-	-	-	530		520
Partial exemption adjustment	-	16	3	1	-	4	24		18
Sundry	-	106	22	5	3	24	160		147
Depreciation	1	-	-	-	-	-	1		2
	2,897	1,161	232	48	26	264	4,628		4,158
Allocation of governance	-	208	42	9	5	(264)			
Total support and governance expenditure 2023	2,897	1,369	274	57	31	-			

Pilgrims Hospices in East Kent

**Notes to the financial statements
For the year ended 31 March 2023**

8b Support and governance costs (prior year)

	Charitable activities						
	Fundraising costs £'000	In-patient £'000	Community services £'000	Counselling £'000	Information and education £'000	Governance £'000	2022 Total £'000
Staff costs	1,197	721	119	40	22	158	2,257
Staff agency costs	233	10	2	1	-	2	248
Repairs and maintenance	120	1	-	-	-	-	121
Postage, print and stationery	-	11	2	1	-	2	16
Telephone	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Occupational health	-	-	-	-	-	-	-
Life assurance	-	16	3	1	-	4	24
Computer costs	-	133	22	7	4	29	195
Bank charges	-	23	4	1	1	5	34
Auditors' remuneration	2	-	-	-	-	25	27
Professional and consultancy fees	-	20	3	1	1	4	29
Other shops and lottery costs	520	-	-	-	-	-	520
Rent and rates	520	-	-	-	-	-	520
Partial exemption adjustment	-	12	2	1	-	3	18
Sundry	-	100	16	6	3	22	147
Depreciation	2	-	-	-	-	-	2
	2,594	1,047	173	59	31	254	4,158
Allocation of governance	-	203	33	11	6	(253)	
Total expenditure 2022	2,594	1,250	206	70	37	1	

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2023

9. Auditors' remuneration

	2023 £000	2022 £000
Audit of the charity - current year	27	25
Fees payable to the charity's auditor and its associates in respect of:		
Audit of charity - under/(over) accrual in previous years	-	(1)
Audit of the trading subsidiary	2	2
	=====	=====

10. Net income for the year

This is stated after charging / (crediting):

	2023 £000	2022 £000
Depreciation	288	306
Operating lease rentals - property	489	492
Operating lease rentals - other	84	92
Operating lease rentals receivable - property	(210)	(186)
	=====	=====

11. Staff costs

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Wages and salaries	9,287	8,580	9,287	8,581
Social security costs	873	753	873	753
Contribution to defined contribution pension schemes	779	701	779	701
	=====	=====	=====	=====
	10,939	10,034	10,939	10,035

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2023

11. Staff costs (continued)

The average number of employees (head count based on number of staff employed) during the year was 361 (2022: 349).

Staff are split across the activities of the charity as follows:

	Group 2023 No.	Group 2022 No.
Fundraising	21	23
Trading	60	54
In-patients	177	189
Community Services	36	33
Counselling	21	22
Information and education	5	4
Administration and support	23	24
	343	349

The average headcount expressed as full-time equivalents based on the activities of the charity was:

	Group 2023 No.	Group 2022 No.
Fundraising	17	19
Trading	55	50
In-patient	149	158
Community services	32	29
Counselling	14	12
Information and education	5	4
Administration and support	23	25
	295	297

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2023

11. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2023 No.	Group 2022 No.
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	2	5
In the band £80,001 - £90,000	2	-
In the band £90,001 - £100,000	1	1
In the band £100,001 - £110,000	1	-
In the band £110,001 - £120,000	-	1
In the band £120,001 - £130,000	1	-

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £551,376 (2022: £546,625).

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 March 2023, expenses totalling £110 were reimbursed or paid directly to 1 Trustee (2022 - £NIL)

13. 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 Pilgrims Hospices Trading Limited distributes under Gift Aid available profits to the parent charity. Its charge to corporation tax at 19% in the year was £Nil (2022: £Nil).

**Notes to the financial statements
For the year ended 31 March 2023**

14. Tangible fixed assets

Group and Company

	Freehold property £000	Long-term leasehold property £000	Motor vehicles £000	Fixtures and fittings £000	Computers and other equipment £000	Total £000
Cost or valuation						
At 1 April 2022	10,505	2,684	54	318	973	14,534
Additions	-	8	36	-	82	126
Disposals	(86)	-	-	-	-	(86)
At 31 March 2023	10,419	2,692	90	318	1,055	14,574
Depreciation						
At 1 April 2022	3,487	1,392	41	300	751	5,971
Charge for the year	124	61	13	7	83	288
At 31 March 2023	3,611	1,453	54	307	834	6,259
Net book value						
At 31 March 2023	6,808	1,239	36	11	221	8,315
At 31 March 2022	7,018	1,292	13	18	222	8,563

Land with a value of £2 million (2022: £2 million) is included within freehold property and not depreciated.

All of the above assets are used for charitable purposes.

**Notes to the financial statements
For the year ended 31 March 2023**

15. Investment property

Group and Company

	Freehold investment property £000
Valuation	
At 1 April 2022	4,100
Additions	45
Surplus on revaluation	174
At 31 March 2023	<u>4,319</u>

The properties were last valued, as at 31 March 2023, in April 2023 by Rob Bryer, MARLA MNAEA from The Good Estate Agent.

Management undertakes regular reviews of the condition of the investment properties and regular maintenance is undertaken in order to maintain values.

16. Fixed asset investments

Group and Company	Listed investments £000	Other investments £000	Total £000
Cost or valuation			
At 1 April 2022	7,913	127	8,040
Additions	5,472	-	5,472
Disposals	(4,427)	(77)	(4,504)
Revaluations	(487)	-	(487)
At 31 March 2023	<u>8,471</u>	<u>50</u>	<u>8,521</u>

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2023

	2023 £000	2022 £000
Investments comprise:		
Fixed interest	3,902	3,538
Managed funds (equity based)	4,569	4,375
Alternative investment funds	-	-
Cash	50	127
	8,521	8,040

All fixed asset investments are held in the UK.

Principal subsidiaries

The following were subsidiary undertakings of the Company:

Names	Company number	Registered office or principal place of business	Principal activity
Pilgrims Hospices Trading Limited	07993259	56 London Road, Canterbury, Kent, CT2 8JA	Non-primary purpose trading activities
Hospice Shops Limited	01623758	56 London Road, Canterbury, Kent, CT2 8JA	Dormant
Pilgrims Hospice Lottery Limited	03130167	56 London Road, Canterbury, Kent, CT2 8JA	Dormant

Class of shares	Holding
Ordinary	100%
Ordinary	100%
Ordinary	100%

The charity owns 2 ordinary shares of £1 each in Pilgrims Hospices Trading Limited.

The charity owns 3 ordinary shares of £1 each in Hospice Shops Limited.

The charity owns 2 ordinary shares of £1 each in Pilgrims Hospice Lottery Limited.

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2023

A summary of the results of Pilgrims Hospices Trading Limited is shown below:

	2023 £'000	2022 £'000
Turnover	78	62
Cost of sales	(20)	(14)
Gross profit/(loss)	58	48
Administrative expenses	(4)	(4)
Management charge payable to parent undertaking	(3)	(2)
Profit on ordinary activities	51	42
Taxation on ordinary activities	-	-
Profit for the financial year	51	42
Retained earnings		
Total retained earnings brought forward	48	-
Profit for the financial year	51	42
Distribution under Gift Aid to parent charity	(51)	(42)
Prior year distribution disallowed	-	48
Total retained earnings carried forward	48	48
The aggregate of the assets, liabilities and reserves was:		
Assets	80	63
Liabilities	(32)	(15)
Reserves	48	48

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

	2023 £'000	2022 £'000
Gross income	16,662	20,328
Result for the year	861	6,661

17. Stocks

	Group 2023 £000	Group 2022 £000
Finished goods and goods for resale	15	14

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2023

18. Debtors

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Due within one year				
Trade debtors	3,355	2,992	3,355	2,991
Amounts owed by group undertakings	-	-	15	5
Other debtors	240	487	239	485
Prepayments and accrued income	256	746	250	746
Accrued legacy income	18	102	18	102
	3,869	4,327	3,877	4,329

19. Current asset investments

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Short term deposits	3,500	-	3,500	-

20. Creditors: Amounts falling due within one year

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Trade creditors	434	279	433	273
Other taxation and social security	318	274	318	274
Other creditors	-	236	-	237
Accruals and deferred income	3,740	3,244	3,733	3,240
	4,492	4,033	4,484	4,024

Deferred income comprises NHS grant payments, lottery subscriptions, course fees and fundraising activities taking place in the following year.

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Deferred income at 1 April 2022	3,169	200	3,169	200
Resources deferred during the year	3,480	3,169	3,480	3,169
Amounts released from previous periods	(3,169)	(200)	(3,169)	(200)
	3,480	3,169	3,480	3,169

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2023

21. Financial instruments

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Financial assets measured at fair value through profit and loss				
Investment properties	4,319	4,100	4,319	4,100
Listed investments	8,521	8,040	8,521	8,040
	12,840	12,140	12,840	12,140

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2023

22. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2023 £000
Unrestricted funds						
Designated funds						
Fixed asset fund	8,563	-	(288)	40	-	8,315
Canterbury Hospice	4,000	-	(163)	-	-	3,837
	<u>12,563</u>	<u>-</u>	<u>(451)</u>	<u>40</u>	<u>-</u>	<u>12,152</u>
General funds						
General Funds	14,922	15,186	(13,466)	(40)	(487)	16,115
Revaluation reserve	2,633	-	-	-	174	2,807
	<u>17,555</u>	<u>15,186</u>	<u>(13,466)</u>	<u>(40)</u>	<u>(313)</u>	<u>18,922</u>
Total Unrestricted funds	<u>30,118</u>	<u>15,186</u>	<u>(13,917)</u>	<u>-</u>	<u>(313)</u>	<u>31,074</u>
Restricted funds						
Ashford Hospice	97	309	(322)	-	-	84
Bedside funds	8	-	-	-	-	8
Canterbury Hospice	18	778	(775)	-	-	21
Thanet Hospice	11	337	(348)	-	-	-
Sundry projects	286	130	(153)	-	-	263
	<u>420</u>	<u>1,554</u>	<u>(1,598)</u>	<u>-</u>	<u>-</u>	<u>376</u>
Total of funds	<u>30,538</u>	<u>16,740</u>	<u>(15,515)</u>	<u>-</u>	<u>(313)</u>	<u>31,450</u>

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2023

22. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2022 £000
Unrestricted funds						
Designated funds						
Fixed asset fund	8,789	-	(283)	57	-	8,563
Canterbury Hospice	-	4,000	-	-	-	4,000
	<u>8,789</u>	<u>4,000</u>	<u>(283)</u>	<u>57</u>	<u>-</u>	<u>12,563</u>
General funds						
General Funds	12,426	13,619	(11,227)	(44)	148	14,922
Revaluation reserve	2,192	-	-	-	441	2,633
	<u>14,618</u>	<u>13,619</u>	<u>(11,227)</u>	<u>(44)</u>	<u>589</u>	<u>17,555</u>
Total Unrestricted funds	<u>23,407</u>	<u>17,619</u>	<u>(11,510)</u>	<u>13</u>	<u>589</u>	<u>30,118</u>
Endowment funds						
Permanent endowment fund	13	-	-	(13)	-	-
Restricted funds						
Ashford Hospice	90	1,019	(1,012)	-	-	97
Bedside funds	8	-	-	-	-	8
Canterbury Hospice	18	948	(948)	-	-	18
Thanet Hospice	11	771	(771)	-	-	11
Hospice at Home	-	1	(1)	-	-	-
Sundry projects	281	30	(25)	-	-	286

Pilgrims Hospices In East Kent

**Notes to the financial statements
For the year ended 31 March 2023**

22. Statement of funds (continued)

Statement of funds - prior year (continued)

	Balance at 1 April 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2022 £000
	408	2,769	(2,757)	-	-	420
Total of funds	23,828	20,388	(14,267)	-	589	30,538

Notes to the financial statements
For the year ended 31 March 2023

22. Statement of funds (continued)

Purpose of endowment fund

This represents part of the total assets of the Canterbury Dispensary Fund, received in the year to 31 March 2000. The capital is invested in a unit trust. Given the length of time that had elapsed since the fund was created, the Board considered whether it should be continued with. The Board took advice from the Charity Commission in their review and resolved that the fund should be closed and the balance held in it transferred to the main investment portfolio. The fund was closed in 2021-22.

Purposes of restricted funds

These represent donations, legacies and grants received for specific purposes. Those funds associated with the three hospice sites are for projects to be undertaken for the improvement of patient care at those specific sites.

The **Bedside Fund** provides funding for the upgrade or replacement of items of equipment needed 'at the bedside' across the three hospice sites.

Included in **Sundry projects** is a legacy specifically for the funding of training for health and social care professionals, with a revised programme planned for future years, as well as a grant for a pilot scheme with certain east Kent GP practices to help identify patients that would benefit from early referral to Pilgrims' services and expertise. The projects also include a fund for the employment of a Specialist Nurse who will recruit and train expert volunteers to provide bereavement support to bereaved families across east Kent.

Purposes of designated funds

The fixed asset fund has been set up to identify those funds that are not free funds and it represents the net book value of tangible fixed assets. The transfer between the unrestricted general fund and the fixed asset fund represents the net movement in the net book value of fixed assets in the year.

The Canterbury Hospice Fund has been set up as a fund into which has been placed a donation of £4 million from the Pentland Homes and the Tory Foundation which trustees have designated as funding with which to build a new hospice in Thanington. Other income funds raised specifically for the project will also be allocated to this fund.

Revaluation reserve

The revaluation reserves represents the increase in valuation of investment properties above the cost price paid.

23. Summary of funds

Summary of funds - current year

	Balance at 1 April 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2023 £000
Designated funds	12,563	-	(451)	40	-	12,152
General funds	17,555	15,186	(13,466)	(40)	(313)	18,922
Restricted funds	420	1,554	(1,598)	-	-	376
	<u>30,538</u>	<u>16,740</u>	<u>(15,515)</u>	<u>-</u>	<u>(313)</u>	<u>31,450</u>

Pilgrims Hospices In East Kent

Notes to the financial statements For the year ended 31 March 2023

23. Summary of funds (continued)

Summary of funds - prior year

	Balance at 1 April 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2022 £000
Designated funds	8,789	4,000	(283)	57	-	12,563
General funds	14,618	13,619	(11,227)	(44)	589	17,555
Endowment funds	13	-	-	(13)	-	-
Restricted funds	408	2,769	(2,757)	-	-	420
	<u>23,828</u>	<u>20,388</u>	<u>(14,267)</u>	<u>-</u>	<u>589</u>	<u>30,538</u>

24. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2023 £000	Unrestricted funds 2023 £000	Total funds 2023 £000
Tangible fixed assets	-	8,315	8,315
Fixed asset investments	-	8,521	8,521
Investment property	-	4,319	4,319
Current assets	376	14,411	14,787
Creditors due within one year	-	(4,492)	(4,492)
Total	<u>376</u>	<u>31,074</u>	<u>31,450</u>

Analysis of net assets between funds - prior year

	Endowment funds 2022 £000	Restricted funds 2022 £000	Unrestricted funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	-	-	8,563	8,563
Fixed asset investments	-	-	8,040	8,040
Investment property	-	-	4,100	4,100
Current assets	249	420	13,200	13,869
Creditors due within one year	(248)	-	(3,785)	(4,033)
Total	<u>1</u>	<u>420</u>	<u>30,118</u>	<u>30,539</u>

**Notes to the financial statements
For the year ended 31 March 2023**

25. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2023 £000	Group 2022 £000
Net income for the year (as per Statement of Financial Activities)	912	6,710
Adjustments for:		
Depreciation charges	288	306
Gains/(losses) on investments	313	(589)
Dividends, interests and rents from investments	(396)	(308)
Loss on the sale of fixed assets	86	-
Increase in stocks	(1)	(1)
Decrease/(increase) in debtors	459	(2,801)
Increase in creditors	457	2,930
Net cash provided by operating activities	2,118	6,247

26. Analysis of cash and cash equivalents

	Group 2023 £000	Group 2022 £000
Cash in hand	10,903	9,528
Total cash and cash equivalents	10,903	9,528

27. Analysis of changes in net debt

	At 1 April 2022 £000	Cash flows £000	At 31 March 2023 £000
Cash at bank and in hand	9,528	(2,125)	7,403
Liquid investments	-	3,500	3,500
	9,528	1,375	10,903

Notes to the financial statements
For the year ended 31 March 2023

28. Pension commitments

The Charity participates in the Baptist Pension Scheme (the Plan). The Plan is funded and is not contracted out of the state scheme. It is a multi-employer pension plan and it is not possible, in the normal course of events, to identify, on a reasonable and consistent basis, the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS102 represents the employer contribution payable. While the Plan is primarily a defined contribution scheme it has inherent guarantees that mean the charity may need to make further contributions to meet deficits.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan and The Pensions Act 2011 has more recently altered the definitions. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up. The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

The Charity had been notified by the Baptist Pension Scheme of the estimated employer debt on withdrawal from the Plan based on the current financial position of the Plan at the time. A provision based on the estimate was made in the accounts as at 31 March 2021 and carried into the new financial year. In the final quarter of 2021-22 Pilgrims withdrew from the Plan and the provision of £35,900 carried into this year was sufficient to clear the outstanding deficit owed by Pilgrims to the Plan at the point of withdrawal.

29. Operating lease commitments payable as a lessee

At 31 March 2023 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Land and buildings				
Not later than 1 year	303	241	303	241
Later than 1 year and not later than 5 years	703	460	703	460
Later than 5 years	245	114	245	114
	1,251	815	1,251	815
	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Equipment and vehicles				
Not later than 1 year	50	50	50	50
Later than 1 year and not later than 5 years	90	104	90	104
Later than 5 years	-	-	-	-
	140	154	140	154

Notes to the financial statements
For the year ended 31 March 2023

30. Operating lease commitments receivable as a lessor

The group leases out the investment property under non-cancellable operating leases for the following future minimum lease payments. There are no contingent rents.

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Property				
Less than one year	222	205	222	205
One to five years	-	-	-	-
Over five years	-	-	-	-
	222	205	222	205

31. Related party transactions

During the year, donations amounting to £1,035 (2022: £2,400) were made by trustees to the charity. £907 was received from other related parties, which were outside the normal course of business. There were no restricted donations arising from related parties.

Pilgrims Hospices Trading Limited incurred management charges payable to the Charity of £2,775 (2022: £2,410). In addition, the Charity purchased goods from Pilgrims Hospices Trading of £nil (2022: £nil). Pilgrims Hospices Trading covenanted its profit of £50,607 (2022: £42,348) to the Charity.

32. 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.

Accounts

Company number: 02000560

Charity number: 293968

Pilgrims Hospices in East Kent

Report and financial statements

For the year ended 31 March 2022

PILGRIMS HOSPICES IN EAST KENT
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 March 2022

Trustees	K Warden S Bates LLB. (Hons.) P Bradshaw S Cuomo S Oriel MA (Cantab) S Perks J Richards (appointed 29 September 2021) E Sharp MB BS, FRCS Dr R Wilson

Company registered number	02000560

Charity registered number	293968

Registered office	56 London Road Canterbury Kent CT2 8JA

Independent auditor	Sayer Vincent LLP Invicta House 108-114 Golden Lane London EC1Y 0TL

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 March 2022

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CHAIR & CHIEF EXECUTIVE'S STATEMENT:

The last year, much like the year before, was a year defined by uncertainty and by an ongoing national pressure across the entire healthcare system due to the continued COVID-19 pandemic. The impact of COVID-19 has lasted longer than anyone could have predicted when the first infections occurred more than two years ago, and has shaped and influenced much of our activity over the 12 months to March 2022.

We could not be more proud of our hard-working staff and volunteers who have responded to these continued challenges with resilience and flexibility, ensuring we continue to provide the highest standards of care to the patients who depend on us, while supporting the ongoing restoration and reopening of services. 2021-2022 also saw the return to a full programme of fundraising events, which were well received and supported by our generous local community.

Despite this difficult backdrop, we are pleased to report that 2021-22 saw Pilgrims make significant progress towards our strategic objectives as outlined in our 2021-2026 Organisational Strategy. In particular, we have worked in partnership with our hospice colleagues across Kent & Medway, delivering educational initiatives, and working together to progress discussions with Commissioners about sustainable long-term hospice funding.

It has been a privilege to lead Pilgrims Hospices through what has been an exceptionally challenging period. We would like to thank our staff, volunteers and our supporters for making our work possible. While many challenges undoubtedly lie ahead of us, we are confident our dedicated teams will rise to the task, and that our wonderful community will continue in their unfailing support of our cause.



Karen Warden
Chair of Trustees

Helen Bennett
Chief Executive Officer

STRATEGIC REPORT

OBJECTS AND ACTIVITIES (Facts and figures)

Pilgrims Hospices serves a population of approximately 750,000, providing adult palliative care services across East Kent. The charity employs around 350 people and is supported by over 1,500 volunteers. Pilgrims provides support through a number of services:

Inpatient Units

Pilgrims operates three inpatient units in Ashford, Canterbury and Thanet, providing specialist palliative care delivered by a multi-disciplinary team of clinicians. Pilgrims aspires to provide a homely, welcoming environment for patients where they will feel safe, comfortable and well cared for.

Community Services

Pilgrims' dedicated community teams provide Specialist palliative care assessment and advice for patients in community settings, whether in their own home, care home, or through outpatient appointments on site, via telephone or virtually. Support is also available 24 hours per day, 365 days per year through a dedicated advice line.

Therapy & Wellbeing

A multi-disciplinary team including Wellbeing Practitioners, Physio and Occupational Therapists provide therapies and wellbeing support for patients through Pilgrims Therapy Centres, as well as through home visits, provision of gym services, and specialist assessment. Therapies input is intended to ensure patients have access to the support they need to enjoy the highest possible quality of life, living as well and as comfortably as possible.

Hospice at Home

Hospice at Home provides dedicated domiciliary care for patients in the last days and hours of life. The team provide up to three visits per day, providing personal care and supporting patients to remain in their preferred place of care.

Psychosocial and Bereavement Care

Social Workers, Counsellors and Spiritual Care professionals work to provide holistic, person-centred care to patients, addressing their psychosocial needs. Counselling team also provide bereavement support to anyone across east Kent through the Stepping Stones Bereavement Services.

Cost

In the year to March 2022 it cost £10.3 million to deliver these services.

In the year ended March 2022:

Pilgrims received
2,897 referrals
(23% increase from 2021)

Pilgrims admitted
803 patients
to our inpatient units

Pilgrims delivered
6,898
Community Contacts

Pilgrims received
1.2 million items
Donated through our
shops

Pilgrims took over
4,000 phone calls
per month from patients, families
and professionals

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 March 2022

Our Vision

At Pilgrims Hospices we have a simple Vision: "of a community where people with a terminal illness and their family and friends are supported and empowered to live well in mind and body until the very last moment of their life."

Our Mission

Our 'Mission' is to make a difference in the lives of individuals in East Kent who are facing the last year of life. To do this we:

- Provide open, compassionate care and expertise for patients and their families; both in the community and in our in-patient units. We will continue this support for families through their bereavement.
- Inform, educate and enable patients and their families so they can make informed choices and participate in planning their own care.
- Form strategic partnerships throughout our community; sharing our research, knowledge and expertise to enable others to play their part in supporting families where and when they need it.

Our Values

To achieve our Vision, we have a shared set of values and behaviours that will enable us to be the people and the charity that patients and their loved ones need us to be. They form our 'CODE' which guides us in our daily working and decision making.

Compassionate -	We treat everyone with compassion and care.
Open -	We communicate openly, honestly and effectively.
Dynamic -	We are dynamic, improving and developing our services.
Empowered -	We empower people to achieve their outcomes.

Pilgrims provided over
2,000 patient meals
per month

Pilgrims welcomed
8,900
Event Participants

Pilgrims provided
1,990
Bereavement Care

Pilgrims' Think received
106 Attendees
to the pilot programme
(representing an 11% uptake)

Lottery entries achieved
22,358
per week
(A 10% increase on the previous year.)

STRATEGIC PROGRESS & KEY ACHIEVEMENTS

2021-22 saw the launch of Pilgrims Hospices' five-year Organisational Strategy, covering the period 2021-2026.

Four pillars underpin and guide the charity's long-term strategic ambitions and inform the setting of annual objectives.



Objective One: We will put the patient at the centre of all we do, delivering the care they need, where they need it.

As a charity, Pilgrims' first priority will always be patients and the organisation is dedicated to ensuring that service users, as well as their families, receive the highest standards of care and support.

Throughout the year, the proportion of patients indicating satisfaction across all services averaged 98% based on feedback obtained via the independent *I Want Great Care* programme. Processes for recording and following up complaints and incidents have also been further developed during the year, ensuring that if service standards were to fall below those expected, or where a patient is unhappy with the service received, that this is captured, and that the most is made of opportunities for learning.

The ongoing impact of COVID-19 meant that patient safety remained a key consideration throughout 2021-22. Guidance was reviewed and updated throughout the year, with a focus on ensuring that precautions were balanced against patient need, particularly in relation to visiting. As a result of adherence to robust processes, Pilgrims Hospices was able to admit COVID positive patients safely and with no interruption to normal operations across its in-patient units.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 March 2022

Pilgrims worked closely with partners across the healthcare sector, including East Kent Hospitals University NHS Foundation Trust (EKHUFT), throughout the year in order to provide support to the maximum number of patients. This included opening additional beds to facilitate admissions, which in turn reduced pressure on NHS/EKHUFT acute services.

Objective Two: We will use our influence to develop our services and maximise our reach as we implement new service initiatives.

Evidence demonstrates that earlier involvement with palliative care services improves quality of life and End of Life outcomes for patients and earlier intervention is therefore a key priority for Pilgrims now and in the future. Central to this ambition is the Think, Talk, Act programme which, in partnership with GPs, seeks to identify and engage the 1% of patients likely to die in the next 12 months, as well as the 3% of patients already identified as “moderately frail”.

The COVID-19 outbreak delayed plans for the launch of Pilgrims Hospices' Think, Talk, Act programme in 2020 due to significant restrictions on face-to-face activity, as well as on use of indoor space. As restrictions eased during 2021-22, plans were renewed, however, the emergence of the Delta and Omicron Variants resulted in further delays.

Despite significant setbacks, the charity was able successfully to launch the Think pilot in January 2022. Initial response to the programme has been overwhelmingly positive, with uptake significantly exceeding expectations and averaging 11%. Overall, sessions were delivered to 106 attendees during the period January – March 2022.

Some feedback from the attendees included:

'VERY INTERESTING AND BROUGHT UP MATTERS WE OFTEN PUT OFF, SHOULD BE MADE AVAILABLE TO MORE PEOPLE'

'GIVES YOU LOADS TO THINK ABOUT NOT JUST THE PERSON I CARE ABOUT ALSO MYSELF'

'IT HAS MADE MY WIFE AND I THINK ABOUT THE FUTURE- ALTHOUGH WE ARE BOTH IN OUR 80'S AND ACTIVE. WE THINK YOUR PRESENTATION WILL MAKE US LOOK INTO ALL THE POINTS MADE. SOME ELDERLY PEOPLE NEED HELP WITH THE INTERNET- MAYBE COURSES COULD BE ARRANGED FOR THE OVER 70'S'

'USEFUL TO KNOW YOU CAN DISCUSS THIS WITH THE GP PRACTICE AND THAT THEY ARE SUPPORTING THIS. ALSO DID NOT KNOW DNR WAS NOT LEGALLY BINDING'

'A GOOD WAY OF STARTING CONVERSATIONS'

'A LOT OF THOUGHT HAS GONE INTO THE SESSION GIVING FOOD FOR THOUGHT AND WHERE TO GET MORE INFORMATION. MANY THANKS TO THE TEAM'

TRUSTEES' REPORT
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The Talk pilot will follow in 2022-23 with a view to developing a full service specification and launch across East Kent.

Objective Three: We will ensure clinical and financial stability through the achievement of a break-even position and by securing consistent and equitable statutory funding as well as identifying new ways to maximise commercial revenue.

The ongoing impact of COVID-19 resulted in significant financial uncertainty in 2021-22. Throughout the year Pilgrims worked hard to mitigate these impacts, sustain voluntary income, and secure additional statutory funding. Pilgrims also continued to invest in the development of its estate to ensure maximum value is realised from its existing assets. The charity is delighted to report that these efforts were successful.

Mitigating COVID-19 Impacts:

While significantly less support was available during 2021-22 than had been provided in 2020-21, Pilgrims worked to maximise the support that could be obtained during the year.

At various points during the year funding was made available by the Department of Health via Hospice UK to support hospices and sustain activity. Pilgrims collected and provided daily data, demonstrating the impact and value of hospice services throughout this period, which secured £807,000 of funding via this scheme.

Pilgrims Hospices also continued to access the Coronavirus Job Retention Scheme, otherwise known as the "Furlough" scheme, during April 2021.

Sustaining Voluntary Income:

Pilgrims Hospices' Income Generation team worked hard to sustain and restore income throughout 2021-22:

Retail – Retail was heavily impacted by lockdowns and restrictions on shop openings in 2020-21. In 2021-22 the Retail team achieved spectacular success following the reopening of the shops in April 2022, earning sales in line with pre-COVID levels, and surpassing £4 million in income for the first time.

Community Fundraising – Community Fundraising continued to struggle in the early half of 2021-22 due to ongoing government advice regarding social distancing, which meant that many traditional community activities were not able to take place during the first quarter of the year. However, the team reported a strong second half of the year, making up much of this ground and finishing the year only moderately behind target.

Events – Events performed strongly during the year. The majority of the charity's events in 2020-21 had been cancelled with many participants rolling over their registrations to 2021-22. This resulted in the 2021-22 events selling out in record time, with events including the Cycle Challenge and Pilgrims Way Challenge recording their highest ever income levels.

Individual Giving – Individual giving activity, including face-to-face *In Memory* events, were restored during 2021-22. Overall income struggled, particularly in relation to unsolicited donations, which remain below pre-COVID levels. This has been attributed largely to reduced visiting on all

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sites, and is expected to return to previous levels once remaining on-site COVID restrictions are lifted.

Trusts – Trusts income has continued to grow, with a number of significant successes during the year, including securing the funding for the refurbishment of the Ashford ground floor reception and Therapy Centre corridor.

Lottery – The Lottery team were able to sustain player numbers and provide much needed consistency throughout the COVID pandemic. Face-to-face canvassing and collecting activity, conducted in a COVID-secure manner, was restored during 2021-22. At the end of the financial year the lottery had 22,358 entries in play per week.

Securing Additional Statutory Funding:

Throughout 2021-22 Pilgrims Hospices, in collaboration with other Kent and Medway (K&M) Hospices, engaged with commissioners regarding the need to achieve fair and sustainable statutory funding, in line with national funding frameworks.

Discussions were productive, however, the Kent and Medway CCG were not able to commit to a longer-term funding settlement for two primary reasons:

- a) NHS National Frameworks for the commissioning and funding of PEOLC services are being piloted but are not yet fully agreed nationally.
- b) The K&M CCG needs to fully establish the commissioning team who will work with providers to implement K&M EOLC strategy that was developed during 2021. This will involve working closely with expert providers, such as ourselves, to develop pathways and services that improve the quality and experience of those at the end of life. In addition to this, it should reduce duplication of effort between acute, community and independent providers. This in turn should result in a service model that is financially sustainable for the CCG and the providers commissioned to deliver these services.

The CCG have indicated their commitment to reaching a sustainable funding settlement with Hospices, and it is currently anticipated that a revised contract will be agreed during 2022-23, and put in place from April 2023 onwards. However, until the new contract is agreed, the current contract effective in 2021-22 has been rolled forward into 2022-23.

Estates Development:

Pilgrims Hospices has a significant freehold estate, which encompasses a number of retail units arranged over multiple floors. In order to ensure Pilgrims realises the maximum value of its assets, work has been undertaken to identify excess space within the estate and to explore value-generative options to develop these areas.

During 2021-22, work was completed to convert space above the charity's Birchington shop into a residential unit which has been let and now represents a cash-generative asset.

Objective Four: We will implement new ways of working across clinical and non-clinical services and day to day operations, both internally and externally.

2021-22 has seen Pilgrims take several important steps in the development of working practices, which will support Pilgrims in maximising the productivity of its workforce now and in the future. These include the incorporation of digital ways of working, improved hybrid ways of working, and the introduction of new Advanced Clinical Practitioner roles which will increase the flexibility of the workforce and improve sustainability of specialist clinical activity.

The restoration of volunteering opportunities following COVID-19 restrictions, as well as the development of new, expert volunteer roles has been a key focus during 2021-22.

Pilgrims also seeks to engage with its workforce on an ongoing basis, utilising multiple routes for communication and gathering feedback.

Digital Working Practices:

Adoption of digital working practices during COVID-19 provided a unique opportunity to expand the charity's service offering to ensure that services were as flexible and accessible as possible over the longer term.

During 2021-22 Pilgrims has implemented remote video consultation using the AccuRx platform facilitating seamless digital consultations, making it easier for patients to be assessed remotely, increasing operational efficiency, and providing ease-of-access for patients with conditions that impact their ability to attend face-to-face appointments. Pilgrims has also embedded e-prescribing to allow greater flexibility in prescribing. The ability to send prescriptions directly to the patient's pharmacy offers significant benefits for patients and the charity.

Virtual therapy sessions have been sustained into 2021-22, along with a growing library of digital materials which are available to patient on-demand via platforms such as YouTube.

Outside of clinical services, digital events have been integrated into the broader events offering, with an innovative offering including virtual cycles and hikes encouraging supporters to get active and raise funds for Pilgrims.

Traditional fundraising activity has also benefited from increased digitisation, with the use of route planning applications for events such as Tree Recycling, and digital check-in via iPads for mass-participation events.

Hybrid Working:

Initially a necessity during COVID-19, hybrid working offers significant benefits both to individuals and the charity as a whole. When managed well, hybrid working can improve individual productivity, and can act as an incentive for employees by providing greater work-life balance.

During 2021-22 Pilgrims developed and implemented a Hybrid Working Policy to formalise these arrangements internally, as well as to provide line manager with guidance as to how to effectively manage hybrid-working within their teams. Since the introduction of this policy, it is estimated that 60% of staff for whom hybrid working is feasible have made use of this facility on either a regular or ad-hoc basis.

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Advanced Clinical Practitioners (ACP's):

Pilgrims Hospices recognises that workforce sustainability, and ensuring the supply of suitably skilled staff, will be key to maintaining a high-quality service into the future. In particular, it has become increasingly difficult to recruit Specialty Doctors due to a shortage of supply across the wider healthcare sector.

In order to address some of these issues, in 2021-22, Pilgrims developed Advanced Clinical Practitioner roles with the expectation that Advanced Practitioners will be recruited in tranches in 2022 and 2023, to bring the total number of full time equivalent postholders to nine by 2024.

Postholders will either be recruited as full ACPs or, in the majority of instances, as Trainee ACPs. Trainees will be required to study for a Master's degree, as well as demonstrating compliance with an enhanced competency framework, and completing a non-medical prescribing course. Funding has been secured which will cover the cost of training for new postholders.

By 2026-27 it is planned that ACP roles will replace Specialty Doctors within the staffing establishment. This will ensure a more sustainable workforce, while also ensuring Pilgrims is able to offer enhanced development opportunities to clinical staff, which is expected to drive improvements in recruitment and retention.

Volunteering:

Volunteers represent a significant segment of Pilgrims' workforce, providing support across all areas of the charity's operations. Volunteer roles are varied, from shop volunteers, to receptionists, to volunteers providing support directly to patients and families.

The COVID-19 outbreak had a huge impact on volunteers, with much volunteer activity paused or curtailed during lockdown. As restrictions eased, Pilgrims was delighted to restore the vast majority of these roles during 2021-22, at the same time as introducing a number of new, expert volunteer roles designed to enhance the experience for patients and visitors.

Volunteer opportunities introduced during the year included Ward Volunteers, who provide support directly to patients staying in the inpatient units, and Stepping Stones volunteers, who facilitate bereavement groups. These new roles have seen high levels of interest from prospective volunteers, and have been well received by service users and colleagues.

Workforce Engagement

A number of mechanisms are in place to engage with staff and volunteers, including an annual Staff and Volunteer Survey operated by Birdsong Charity Consulting. This survey asks staff and volunteers about their views on a range of topics, provides a comparison with the wider hospice sector, and also provides an overview of how "engaged" respondents are compared to the national average. The results of this survey are summarised and shared with the Board of Trustees and wider organisation.

Pilgrims has a Local Management Team (LMT) in place at each hospice, which considers Claims, Concerns and Issues for their site, and which are in turn escalated to the Senior and Executive Management Teams. LMTs are also the primary method of cascading information across the

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organisation. In addition, the HR department circulates a workforce newsletter "People Matter" six times each year to update staff and volunteers with good news stories and organisational updates. A regular volunteer newsletter is also produced several times per year, with updates from teams across the charity.

The charity has effective policies and procedures for raising and escalating concerns, including the Grievance and Whistleblowing policies.

The Board of Trustees is assured and updated regarding workforce engagement activity via Board Reports prepared by the organisation's Executive Management Team. Trustees are represented on various committees which oversee aspects of engagement activity, including:

- The Remuneration & Workforce Committee, which considers pay, benefits and employee health & wellbeing.
- The Central Health & Safety Committee which is responsible for ensuring that working environments are safe and appropriate for staff and volunteers.
- The Quality and Governance Board which ensures staff have the support needed to work safely and effectively.
- The Information Governance Group which ensures staff and volunteer data is protected and used appropriately.
- The Education & Training Group which ensures staff and volunteers have the necessary training and development to fulfil their potential.

2021-22 saw the reintroduction of "Board Walks", where Trustees and EMT members tour Pilgrims facilities and speak with staff. This in turn provides accessibility and visibility of the senior leadership team to the wider workforce.

Following feedback from the 2021 staff survey, a new "Coffee & Cake" initiative was launched in 2021-22 where staff and volunteers would be able to meet with the Chief Executive and Chair of Trustees in an informal environment. Early feedback from these sessions has been positive, indicating these have been well received by both staff and volunteers.

Our gender pay reports are published in line with the Equality Act 2010, and can be viewed on our website at: <https://www.pilgrimshospices.org/about-us/work-with-us/>.

FUTURE PLANS AND OBJECTIVES

Think, Talk, Act

Following the successful pilot of Think in the final quarter of 2021-22, the Talk Pilot will take place during the first quarter of 2022-23. Following the evaluation of both pilots, a full service specification will be developed for both programmes, in anticipation of a full service launch from April 2023.

Statutory Funding

A key objective for Pilgrims remains the elimination of the charity's structural financial deficit. Obtaining equitable, sustainable, statutory funding is essential to achieving this objective.

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Over the course of 2021-22, significant progress was made with Commissioners who have acknowledged the need for a sustainable funding solution, and have committed to working with Kent and Medway on an appropriate funding model.

Work is expected to continue throughout 2022-23, with a view to a revised contract being put in place from April 2023.

Canterbury New Build

In 2014 Pilgrims Hospices was approached by Pentland Homes and the Tory Foundation, offering to provide land as part of the planned Saxon Fields development for a new, purpose-built hospice in Canterbury, as well as a contribution to construction costs. As of 2022 the generous offer tabled by Pentland comprised the freehold title of the land and a £4 million donation.

During 2021-22, Pilgrims Hospices' Board of Trustees unanimously agreed to accept the offer from Pentland Homes and the Tory Foundation and to designate the donation to a fund which would help finance the building of the new hospice.

Significant progress took place during 2021-22, including the appointment of Northmores as project manager, as well as the appointment of a marketing agent to appraise the value of the current London Road site.

Key milestones for the 2022-23 financial year will be the finalisation of Stage Three designs and the appointment of a build contractor.

It is currently projected that the build will be completed and occupied by 2025.

Canterbury New Build – Capital Appeal

In support of the new build, Pilgrims Hospices' Income Generation Team will be undertaking a capital appeal to raise in excess of £2 million to fund the fit-out costs of the new build.

The appeal is expected to be launched in 2023 and will run for a period of 3 years.

Thanet Hospice Refurbishment

Prior to the pandemic, Pilgrims was planning a large-scale refurbishment of our Thanet hospice which was put on hold due to COVID and is now expected to take place following the completion of the Canterbury New Build.

In the medium-term, the refurbishment work is still important as the building is nearly 30 years old and has the layout and features of a typical NHS facility. The demand for Pilgrims' services is continuing to grow and the type of care required has continued to change. Learning has also been taken from the COVID-19 pandemic, which has resulted in radical changes in operational best practice, and which will be incorporated into a refurbishment.

Recognising that a full refurbishment may still be some way off, the charity has committed funds in the short term to improve the environment for patients, carers, visitors, staff and volunteers. This will see a programme of small-medium sized improvement projects happen on site during the 2022-23 and 2023-24 financial years, with around three projects completed each year. These projects will be aimed at improving the standard of the patient and visitor experience, as well as enhancing the

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accessibility of the site. It is anticipated that supplementary funding may be obtained from Trusts and Grants to fund some of these projects.

STRUCTURE & GOVERNANCE

Pilgrims Hospices is governed by a Board of Trustees numbering not less than five and not more than eighteen. As at 31 March 2022 there were nine trustees, following the appointment of Mr Jim Richards in September 2021. The Board of Trustees governs in accordance with the Articles of Association and Trustees bring relevant experiences and skill sets from a variety of sectors, as determined by a regular skills audit, from which recruitment is driven. Over the period of this report, the sectors include, for example, clinical, business and legal experience

New Trustees are appointed initially by the Board following a formal process which includes interviews by the Nominations and Governance Committee and by the Chair leading to a recommendation by the sub-committee to the full Board. Applicants are sought from publicly advertised vacancies. Successful applicants are subject to re-election by the Members at the next Annual General Meeting following their appointment by the Board. Procedures are in place and regularly reviewed for Trustee induction and development. Trustees are required to complete mandatory training and a full induction to the charity is given to new trustees on and shortly following their appointment. The Board completed the advisory actions recommended following a review by the National Council for Voluntary Organisations (NCVO), relating to its Board Development programme in this year. Work on a recruitment programme for the Board continues.

Trustees are appointed for an initial three-year term and may be re-appointed for two further three-year terms. A Trustee who has served for 9 years can only be re-elected by unanimous resolution of the members and for a term not exceeding 5 years.

The Board normally meets four times a year to review strategy and performance and is supported in its work by a number of trustee-led sub-committees.

The Board recognises that good governance is essential for the success of the charity and has made good progress in developing its governance policies and practices in line with the principles set out in the Charity Governance Code for larger charities. The Nominations and Governance Committee will continue to review progress with the full implementation of the Code through an action plan developed from the diagnostic tool made available from the Charity Commission.

Committees

Board committees have delegated powers of responsibility but executive authority is retained by the Board. They are chaired by a Trustee, have written terms of reference and provide linkage to the main Board and support to senior management. Trustees are selected as committee members having regard to their skills, knowledge and expertise and committees may include appropriately qualified individuals (thinking partners), who are not trustees, co-opted from outside the charity. Members of the Executive Management Team also attend committee meetings relevant to their professional area of expertise. Each committee reports to the Board on any major issues discussed, with recommendations where decisions are required. Minutes of committee meetings are circulated to the Board as a whole and each Committee identifies areas for consideration by other committees thus ensuring no Committee works in isolation.

The Finance Committee oversees the finances of the charity and its subsidiary company. It is responsible for reviewing and recommending to the Board the financial strategy along with the

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annual budget and monitors performance against these. The Committee also oversees the strategy for investing funds and keeps the Board informed of relevant general changes in the financial environment. It reviews risk plans and corporate risks relating to finance, investment and audit.

The Income Generation Committee supports all fundraising activities of the charity, as well as communicating the hospices' vision, mission, and services to patients, carers, healthcare professionals and the public. It reviews the fundraising plans and retail strategies before referring them to the Board for approval, as well as monitoring risks relating to Pilgrims' income generating activities.

The Quality and Governance Board provides the Board of Trustees with assurance concerning all aspects of quality and safety relating to the provision of care and services in support of getting the best clinical outcomes and experience for patients, carers and their families. The Quality and Governance Board oversees the content and effectiveness of the structures, policies, systems and processes for quality assurance, clinical, information and quality governance. It assesses current and future risks to quality and safety which may be included in the clinical services and other risk registers. It also advises the Board of Trustees on any significant issues regarding quality, risk or compliance issues. The Quality and Governance Board is also responsible for overseeing matters relating to information governance. Issues relating to information governance are handled by the Information Governance Group, which reports to the Quality and Governance Board.

The Major Projects Committee considers the current and future real estate requirements of Pilgrims Hospices and progresses the proposed projects in line with the strategy and budget approved by the Board of Trustees. The Committee considers the current and future operational needs of Pilgrims Hospices and how these needs could best be addressed.

The Remuneration and Workforce Committee reviews terms and conditions of employment, sets overall remuneration policy and oversees the development of workforce strategy. The Committee recommends annual pay awards to the Board of Trustees as well as monitoring risks relating to Pilgrims' workforce, recruitment and retention.

The Nominations and Governance Committee considers the corporate governance of the hospice. It reports to the Board of Trustees on any changes that may need to be made in order to comply with legal and regulatory requirements. It reviews the Board's skills mix and capabilities and makes recommendations on nominations for new membership to underpin the Board's capability and diversity and to provide robust governance and directorship of the hospice.

The Clinical Service Development Committee considers the development clinical service proposals and service redesigns in line with the charity's agreed clinical strategy. The Committee ensures that any service development takes places in line with Pilgrims' charitable objectives and is sustainable from both a financial and service perspective. The Committee considers the needs of all stakeholders when developing service proposals and monitors risks relating to both service development and the wider Health and Social Care environment.

The Chief Executive and the Executive Management Team have delegated authority to manage the charity's operations on a day to day basis, within the annual budget approved by the Board of Trustees. They have the specific skills and experience to enable them to fulfil their roles and report progress on this at the quarterly Board meetings and through financial reports to the trustees.

In addition, the Executive Management Team meet formally quarterly to review all activity and adherence to the overall business plan. The output of these meetings and discussion points are

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 March 2022

disseminated throughout the business at regular management meetings. There is a flow of communication throughout the organisation which is cross functional and cross site with local issues managed at Local Management Team meetings. Issues can be escalated to the Executive Management Team and, where relevant, to the trustees. In addition, there are regular functional specific meetings with reviews of critical activity. This, together with additional weekly operational meetings, ensures that there is a robust management of the day to day running of the hospices.

Remuneration Policy

The remuneration of key management personnel is reviewed on an annual basis by the Remuneration and Workforce Committee, as part of its review of salary levels across the charity. This review ensures the remuneration is competitive within the charity and healthcare sector. The Committee considers a range of factors including increases in the national cost of living and the position of comparable organisations and wider healthcare and charity sector, as well as the current financial position of Pilgrims Hospices and the affordability of any increase. Every three years Pilgrims Hospices undertakes a full review of the duties, responsibilities, level of expertise and salaries of all posts across the charity. This information is compared with the lower quartile to median salaries of comparable posts for organisations with a similar overall income in the Third sector.

Trustee Responsibilities

The Trustees (who are also Directors of Pilgrims Hospices in East Kent for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the group 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 charity and the group and of the incoming resources and application of resources, including the net income or expenditure of the group for the year. In preparing those financial statements, the trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and the group and which enable them to ensure that the financial statements comply with the Companies Act 2006.

Fundraising practices

The Charities (Protection and Social Investment) Act 2016 requires Pilgrims to provide extra information in its annual report about its fundraising activities. In particular, any agreements with professional fundraisers or commercial participators as well as providing information on compliance with voluntary fundraising regulations.

TRUSTEES' REPORT
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Pilgrims does not use consultant fundraisers to solicit gifts from prospects or donors. All gifts are solicited by Pilgrims Hospices' Fundraisers who follow guidelines stipulated by the Charity Commission and Fundraising Regulator. The charity is also mindful of the General Data Protection Regulation (GDPR) and has a Privacy Policy and a named Data Protection Officer. Pilgrims uses a Customer Relationship Management (CRM) system to record all donations to ensure appropriate levels of communication are maintained. Fundraising activities are monitored by a team of managers, the Director of Income Generation and Marketing, the Chief Executive Officer, The Income Generation Committee and the Board of Trustees.

Pilgrims is committed to following the highest standards and to ensuring a quality supporter experience. The charity has detailed procedures in place that in many cases go beyond the minimum requirements for the sector and against which the organisation regularly monitors its performance.

Some fundraising activity is conducted on behalf of the charity by carefully selected fundraising agencies. Pilgrims occasionally works with agencies to telephone existing supporters to talk to them about their donation and, on some occasions, to ask for a further donation. Pilgrims works very closely with its agencies to make sure they represent our work and our organisation to the highest standards.

During the year there were no incidences of non-compliance with fundraising and voluntary regulations set by the Fundraising Regulator. Pilgrims Hospices Complaints Register recorded two complaints from the general public, in relation to its income generation activities, both complaints were resolved satisfactorily.

Business relationships with suppliers

Having good business relationships helps to ensure the smooth running of the charity and Pilgrims is committed to establishing fair working practices with all suppliers, whilst delivering best value for the beneficiaries of the charity. The charity regularly reviews contracts with key suppliers and their performance in delivering the purchased goods and services. Payment terms are agreed with all business partners and where appropriate Service Level Agreements (SLA) are used. Pilgrims' Retail staff and volunteers are provided with training in customer service, handling complaints, and how to deal with difficult situations to assist them in providing the best service possible to customers. Refunds are provided for all goods returned within 14 days in the same condition as when sold, no matter what the reason for return. The charity recognises that sometimes things go wrong and Pilgrims Hospices has established a Complaints Policy for use by any individual about any aspects of the charity's services or work (for example staff, volunteers, patients, carers or members of the public). The policy is governed by a process which ensures all complaints are reviewed and addressed appropriately which is also published on the Pilgrims Hospices website.

ENVIRONMENT

Pilgrims Hospices recognises that the protection of the natural environment and establishing an environmentally sustainable model of operation is essential to the long-term welfare of the charity's beneficiaries and the wider community. Pilgrims is committed to minimising its impact on the environment, including through reducing energy consumption, maximising opportunities for recycling and making sustainable procurement decisions.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 March 2022

In addition to environmental benefits, increasingly sustainability provides direct and indirect financial benefits, primarily through reduced costs, but also through increased positive reputation.

Green Champions

In order to effect positive behavioural change across the workforce, Pilgrims has instituted a Green Champions programme, which sees groups of staff on each of the charity's sites take responsibility for green initiatives locally. Some examples of their work include:

- A "switch it off" campaign, encouraging staff and volunteers to turn off lights and electrical appliances when not in use.
- Raising awareness of which materials are recyclable and encouraging recycling.
- Identifying opportunities to replace single-use plastics with reusable products or different materials.

Reducing Waste

Pilgrims Hospices has comprehensive waste management contracts which ensure that the charity can maximise the volume of waste material which can be recycled, limiting material that ends up in landfill or incineration.

In addition to general waste management, specific recycling programmes have been put in place for both metal and used cooking oil, which see these materials sold for re-processing. In addition to being environmentally sustainable, these programmes are also income generative, realising funds to support the charity.

The organisation's extensive network of charity shops also support sustainability locally, providing an avenue for local residents to donate their unwanted personal possessions, diverting many of these items from household waste streams.

Energy

Pilgrims uses energy in the form of gas, electricity and fuel for vehicles. Much of the charity's energy consumption relates directly to activity, and therefore overall levels of energy use have historically trended up as the overall level of activity the organisation undertakes has increased.

However, the charity is working to mitigate the impact of increased activity through investments in energy efficiency such as LED lighting and insulation, as well as encouraging the adoption of energy-conscious behaviours such as vehicle sharing.

Streamlined Energy & Carbon Reporting:

The Streamlined Energy and Carbon Reporting regulations require Pilgrims to make the following disclosures in relation to energy consumption.

2021-22 is the third year that the charity has collected this data and the below table provides a comparison to the 2020-21 data. This comparison shows an increase in energy usage for 2021-22, however, this largely reflects the increase in activity following the end of COVID-19 restrictions, activity which is expected to recover further in 2022-23.

TRUSTEES' REPORT
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While some opportunities do exist to reduce energy use and drive energy efficiency, these are limited. Specifically, the sites which would benefit most from investment in energy are sites where such investment is not commercially viable, including or shops which are occupied on short-term leases and where Pilgrims is not responsible for the fabric of the building. It is also anticipated that developments across the organisation may increase overall energy during the medium-term, including an increase in community-based clinical activity, and continued expansion of the retail logistics division.

The organisation achieved Phase Two ESOS compliance in December 2019 and has taken significant steps towards reducing energy use. These include a programme to upgrade to LED lighting where feasible, the appointment of green champions across all sites, the installation of more energy efficient heating, and an ongoing effort to reduce unnecessary travel through the use of virtual technologies for meetings and even patient contacts. While progress on some activity was restricted by COVID-19, progress in areas such as remote working and virtual technologies have seen significant progress.

Additional measures are planned, including improved insulation, further training for staff and ensuring energy efficiency is a considered when procuring new devices.

Energy usage in 2021-22 and comparison to 2020-21

Measure	2021-2022	2020-2021	% Change
Gas Usage kgCO ₂ e	351846.64	309268.15	13.77%
Gas use intensity kwh/m ² /y	229.57	201.61	13.87%
Gas use intensity kgCO ₂ e/ m ² /y	42.33	37.21	13.77%
Electricity usage kgCO ₂ e	172435.49	174212.14	-1.02%
Electricity use intensity kwh/m ² /y	79.91	73.53	8.68%
Electricity use intensity kgCO ₂ e/ m ² /y	16.97	17.14	-1.02%
Travel Data kgCO ₂ e	102876.90	59445.08	73.06%

Notes on Preparation:

The above data includes all Scope One and Two emissions as defined by the Greenhouse Gas Protocol. Scope Three emissions relate to emissions generated by third parties, are largely beyond Pilgrims Hospices control and sit outside of the SECR requirements, and as such have not been included in the above figures.

GHG emissions have been calculated using the 2021 UK DEFRA condensed carbon conversion factors dataset and emissions are presented in CO₂e (Carbon Dioxide Equivalent). For buildings, an energy intensity metric of kWh per m² has been identified as the most appropriate measure, using data from annual energy bills. When calculating intensity ratios for gas, only premises with an installed gas supply were included when calculating the total square metres used.

The above reported figures do not include usage for premises where the organisation has service agreements and/or is not charged for energy usage as a tenant due to a lack of access to this data.

TRUSTEES' REPORT
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For electricity, full year CO₂e figures for each individual supply were not available. Pilgrims therefore used the 2021 average energy supplied in the UK according to the 2021 UK DEFRA condensed carbon conversion factors dataset.

Information regarding the size or type of fuel used in employees' personal vehicles is not available. CO₂e has therefore been calculated for claimed mileage based on the 2021 UK DEFRA condensed carbon conversion factors dataset, using the "average" personal vehicle and "unknown" fuel types.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees regularly assess the risks and uncertainties to which the charity is exposed. The approach to risk is in accordance with a Risk Management Policy. A formal risk register is in place and the Trustees have adopted a risk management strategy whereby those risks are identified, the level of risk is assessed and systems for ameliorating them are put in place and regularly reviewed. The Board of Trustees reviews the risk register at their quarterly meetings.

The risk register is reviewed quarterly at a meeting of the Executive Management Team and each member thereof, in turn, is responsible for managing identified risks, identifying further risks and reporting these upwards to the Trustees for review. Sub-committees of the Board of Trustees, whose members comprise those with the skills and knowledge specific to the risks under review, report regularly to the Board as described above.

The risk register captures and categorises the risks across five broad areas of Pilgrims' activities namely, governance, operational, financial, external and environmental. The overriding risk to Pilgrims is the inability to deliver its mission statement, but this risk will have causal risks arising in the five areas noted above.

Financial risk includes the loss of income arising from a loss of reputation and the Trustees also recognise that the charity relies on two material amounts of funding arising from legacies and the NHS grant. Action is being taken to encourage the continued flow of legacies. At the time of writing, the key financial risk was in securing adequate levels of statutory income. Pilgrims maintains a strong relationship with the NHS to secure the continuance of the grant, and is in discussions with Commissioners, along with other local area hospices, to determine an appropriate level of funding apportioned to those providing end of life care, in line with Commissioning Frameworks. However, although there has been regular engagement with Commissioners during 2021-22, until the structures to form the new Integrated Care System are in place, Commissioners have not been able to confirm funding arrangements for future years beyond 2022-23.

Operational risks at this time include the difficulties in being able to recruit and retain suitably qualified staff and volunteers and this particular risk is also faced by many parts of Health and Social Care. Currently Pilgrims has a full complement of clinical and support staff. There are however continued challenges in recruiting Consultant grade doctors and specialist registered nurses, reflecting a national problem amongst hospices providing end of life care due to the scarcity of doctors at this level in this area of specialism and the scarcity of qualified nurses.

Workforce risks have a knock-on effect on other operational risks, in that they impact on the provision of appropriate, safe levels of staffing and also on health and safety practices more generally. For the time being there are no concerns over safe staffing levels but the Board and the Executive Management Team continue to monitor the situation.

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FOR THE YEAR ENDED 31 March 2022

The heightened threat from cyber attacks means that cyber security and the maintenance of secure IT services is now a ubiquitous risk in the risk register.

As work progresses on the project to build a new hospice at Canterbury, risks relating to this project are now beginning to feature more prominently in the risk register.

RELATED PARTIES AND RELATIONSHIPS WITH OTHER ORGANISATIONS

None of the Trustees receive remuneration or other benefit from their work with the charity. Trustees are able to claim any reasonable out-of-pocket expenses, incurred in the course of conducting the charity's business.

Trustees and senior managers are required to declare any interests that they may have outside of the charity. Transactions and contractual relationships with related parties must be disclosed.

Pilgrims Hospices in East Kent has three wholly owned subsidiaries. All are registered in England, are limited by share capital and have as their registered office 56 London Road, Canterbury, Kent CT2 8JA. Two of the subsidiaries are now dormant and the third operates as a trading company, transferring its taxable profits to Pilgrims Hospices in East Kent.

Hospice Shops Limited (No. 1623758, director K Warden) is now a dormant company.

Pilgrims Hospice Lottery Limited (No. 3130167, director K Warden) is now a dormant company.

Pilgrims Hospices Trading Limited (No. 07993259, director K Warden) handles the taxable trading activities of the charity, other than the running of the charity shops, and, along with the charity, is registered for VAT under a group registration scheme.

The charity is registered with a number of regulatory bodies, including the Charity Commission, Care Quality Commission, Fundraising Regulator, Gambling Commission and Information Commissioner's Office.

The charity is a member of Hospice UK, an umbrella body which supports hospices throughout the UK.

FINANCIAL REVIEW

The Statement of Financial Activities for the year is set out on page 32 of the financial statements. A summary of the financial results and the work of the charity is set out below. Notes 25a to 25b, which support the Statement of Financial Activities on pages 52 - 53, show how funds have been received and applied during the year.

During the year under review, the net movement in funds was a surplus of £6,710,000 after investment gains of £589,000, compared to a surplus of £2,297,000, after investment gains of £1,809,000, in the previous year.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 March 2022

Our income generation activities from donations and legacies raised £8,920,000 (2020-21: £3,081,000) representing an increase of £5,839,000 compared to 2020-21. This increase represented a significant achievement from the Pilgrims fundraising teams, who took full advantage of the easing in COVID-19 restrictions from early in the financial year. Included with the £8.9 million of donations and legacies income was a substantial donation to Pilgrims of £4 million from Pentland Homes and the Tory Foundation. The Board of Trustees took the decision to designate this generous donation towards the building of the new Canterbury hospice at Saxon Fields, Thanington.

Legacy income increased significantly compared to 2020-21, as it appeared that Her Majesty's Courts and Tribunal Service (HMCTS) made headway in resolving the backlog in probate referrals that had been restricting the flow of these referrals substantially below the levels in 2018-19 and before. The situation had been compounded by delays across the probate approval process caused by the COVID-19 pandemic.

The Retail operation, as mentioned above, (excluding the trading subsidiary) experienced very difficult trading conditions during 2020-21 as a result of the national lockdowns and the Tier 4 restrictions, however, the shops bounced back very strongly in 2021-22. The operation delivered a profit of £2 million on income of £4.5 million compared to a net loss of £104,000 on income of £1.3 million the previous year. This was an exceptional result in the face of continued difficult trading conditions in the high street.

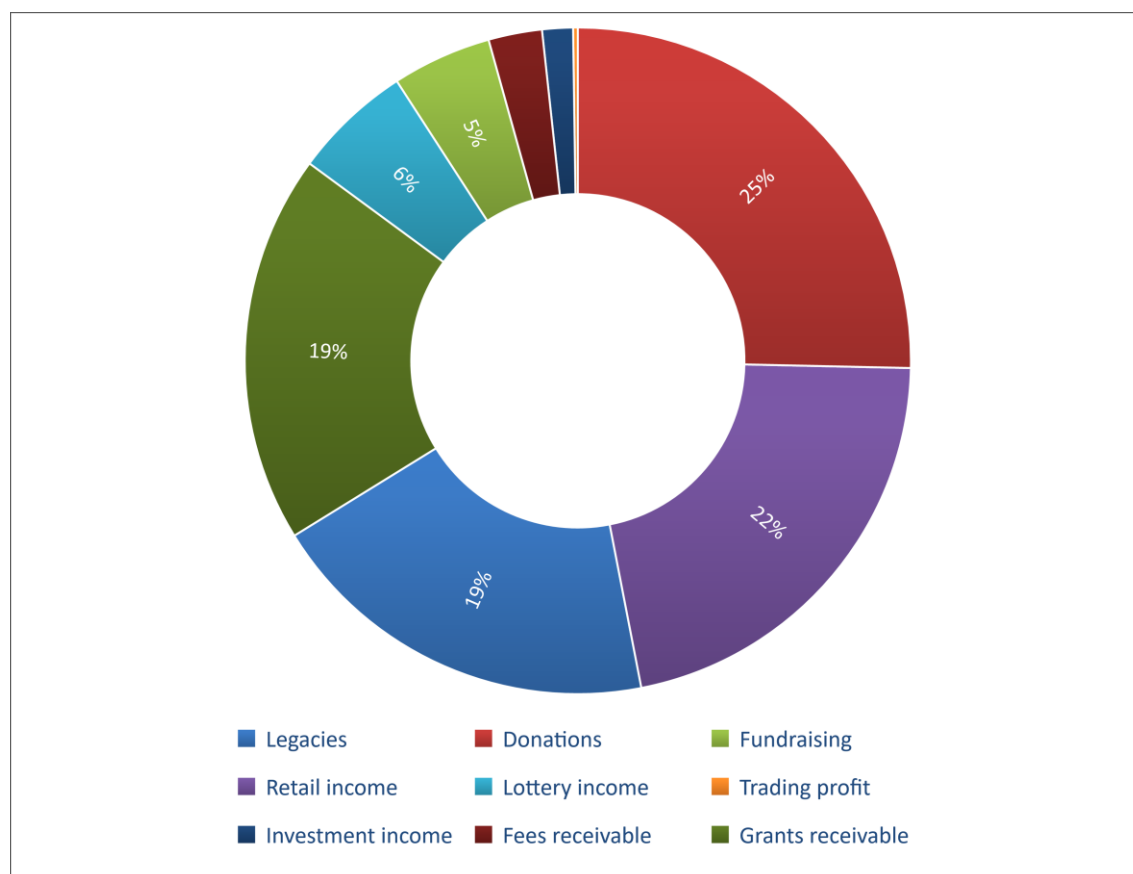
The Lottery remained strong with a turnover of just under £1.2 million and produced a net profit of £568,000, a reduction of £159,000 on the previous year, but nonetheless a good result during a difficult year. Expenditure increased in 2021-22 as a result of a canvassing drive to recruit more Lottery players, which had to be suspended in 2020-21 as a result of the COVID-19 lockdown restrictions. This investment in canvassing delivered an increase of around 18% in weekly players, raising numbers to 22,358.

The grant from the local NHS Clinical Commissioning Groups (CCGs) under a service funding agreement amounted to £3 million, approximately 21% of total running costs. This included additional funding from the CCG, from late November 2021 onwards, in order to keep open additional beds at the Thanet hospice.

As with 2020-21, Pilgrims was able to draw on various support grants which the government and the NHS had opened to healthcare organisations. Again, as with last year, the largest grants were those provided by NHS England to the hospice sector, via Hospice UK, in order to maintain hospice capacity during the outbreak of the Omicron variant of the Coronavirus. We received just under £807,000 in grants during the year from NHS England via Hospice UK. We also received Retail Restart Grants in April and May 2021 of £88,000, from east Kent local authorities, to provide support for the retail shops in emerging from the COVID-19 lockdown restrictions. As well as these grants, Pilgrims received just over £9,000 from the Government's Coronavirus Job Retention Scheme.

Set alongside is a chart showing how diverse our sources of income are, but also demonstrating that in 2021-22 the non-grant income streams recovered strongly in the year, when compared to 2020-21 where grants made up 50% of the income received in the year.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 March 2022



Overall expenditure rose by 7.5%, from £13,272,000 to £14,267,000. The increase was as a result of Pilgrims' activity returning to normal levels. During 2020-21, expenditure on Fundraising and Retail was lower than normal owing to the COVID-19 pandemic, with the events programme being suspended and the shops being closed for a significant portion of the year. This extended to the Lottery, as canvassing for new members restarted in 2021-22, having been suspended during the pandemic. There was some staff turnover in the clinical teams during the year, mainly as a result of retirements. As with other healthcare organisations, Pilgrims struggled to recruit replacements for these retiring staff and for part of the year it became necessary to alter the way in which some patient facing activity was undertaken. At times, activity was scaled back across various services in order to ensure safe ways of working whilst Pilgrims recruited replacements to fill the vacancies.

Investment gains during the year raised the value of the portfolio by £112,000. This increase was primarily the result of a strong recovery in the value of the investment portfolio in the first three quarters of the year. Concerns caused by global supply problems, inflation, the rising oil prices, and finally, the Russian invasion of Ukraine, reduced the strong gains made in the year. Nevertheless, the portfolio finished the year at a higher value than it started it. There were some additional investment properties recognised in the year, arising from a change in the treatment of certain premises that were mixed use, consisting of a shop premises, part of which also included a rented flat. The Lydd shop, which had been closed as a result of lockdown restrictions, was rented out to a private business.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 March 2022

Reserves Policy

The Trustees review their policy each year. In conducting their review they take into consideration best practice and the guidance issued by the Charity Commissioners.

In considering the reserves position, the Trustees review:

- that provision of this type of care involves ongoing running costs, currently in the region of £10,300,000 per year, just under three-quarters of which has to be derived from voluntary sources;
- over 80% of this amount is directly invested in providing these services;
- there is a requirement to provide assurance to those who give so generously that the Trustees will be able to continue to provide patient care to meet the ever more demanding needs of the community;
- the income generation activity has an annual cost to the charity of approximately £3,700,000 and accordingly we need to generate approximately £14,000,000 per year, in a normal year.

The charity has the following categories of reserves:

Designated Reserves

'Fixed assets fund' holds the fixed assets used by Pilgrims to provide the facilities for the patients, their families and carers. From 2021-22 onwards, designated reserves will include the Canterbury Hospice Fund, which has been set up as a fund into which has been placed a donation of £4 million from Pentland Homes and the Tory Foundation. Trustees have designated this donation as funding with which to build a new hospice in Thanington. Other income funds raised specifically for the project will also be allocated to this fund.

Restricted Reserves

These are reserves only available for expenditure in accordance with the donor's directions.

Revaluation Reserves

These represent the accumulated gains in revaluation of investment properties.

Free Reserves

These are retained by the Trustees to give assurance to those who use Pilgrims' services and those who give of their time and money, that the Trustees will be able to sustain their commitment to provide specialist palliative care services to patients and support to their families and carers. The reserves are set at a level to withstand any short-term setback, whether operational, in the investment markets, or in key sources of income such as legacies. Liquid free reserves at 31 March 2022 stood at £13.5 million (2021: £11,000,000) which includes £7,913,000 (2021: £7,909,000) invested in quoted investments but excludes designated funds and £4,100,000 (2021: £3,610,000) in investment properties. The Trustees have agreed that the total of free reserves, i.e. those that are not used in the day to day operation of the charity, must not be less than £6,000,000, sufficient to cover around five months operating expenditure, and in light of the uncertainties as a result of the pandemic, the Trustees consider this to be satisfactory.

The Trustees recognise that the level of free reserves is significantly higher than the agreed minimum. However, they consider that in the present circumstances of a difficult economic climate, with soaring energy costs and a persistently high inflation rate, together with uncertainty over the level of funding Pilgrims can expect from the Integrated Care Board and at the point the charity is about to embark on a major capital project, maintaining a sizeable level of free reserves is prudent and necessary in order to be certain that Pilgrims can maintain a high standard of patient care.

INVESTMENT POLICY AND PERFORMANCE

At the end of the year there was £9,528,000 (2021: £3,066,000) available in cash and a high level of debtors which are monitored; at current financial levels of expenditure the charity requires just under £1,200,000 per month to cover running costs, including fundraising costs. However, when the need arises, the charity is able to liquidate medium term investments very quickly. The balance of the reserves is held in a portfolio comprising properties, government and other fixed interest securities and equities. The Trustees recognise the need to spread the investment risk in managing the reserves. They also acknowledge that investments should look to take into account, where possible, social, environmental and ethical considerations.

For this reason the Trustees have stipulated that there should be no direct investment in tobacco manufacture and armaments production.

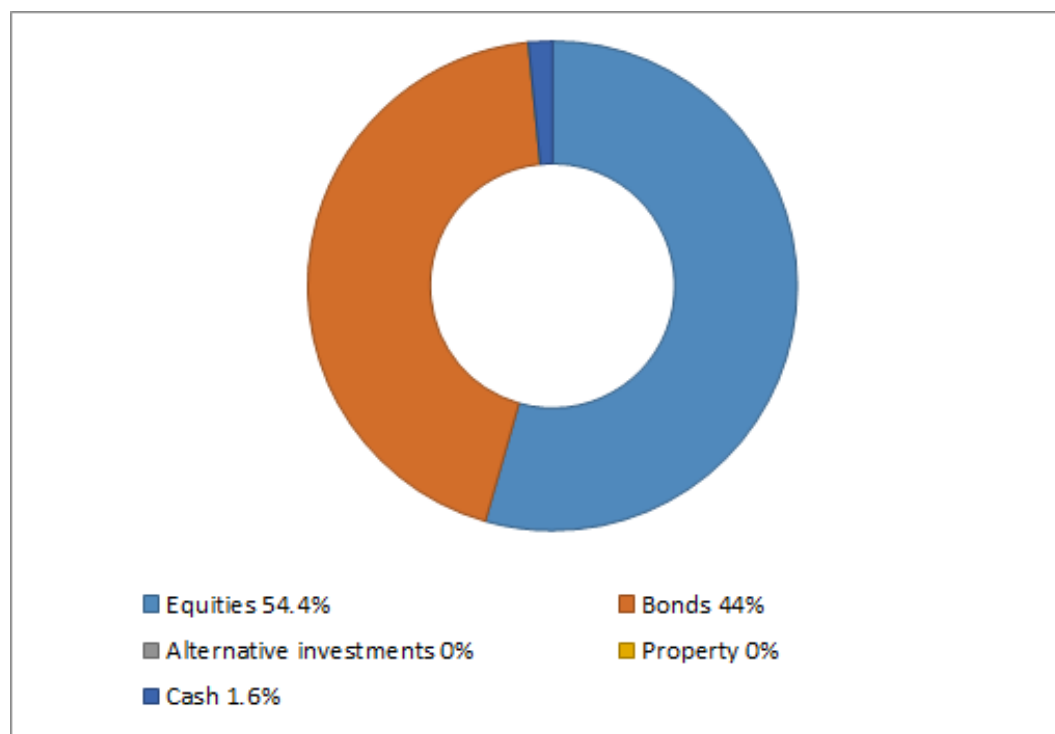
The investment properties comprise residential properties that the charity has inherited or acquired and which the Trustees retain, having taken appropriate advice, as they provide potential for capital growth and income. The Trustees are confident that, having taken advice, the carrying value of the properties at £4,100,000, a surplus of £2,633,000 over acquisition value, is an accurate reflection of their market value as at 31 March 2022. During the year, Pilgrims included five flats within the investment property value, that were in the same buildings as certain of its shops. Until this year, the flats had been included within the fixed asset value of the relevant shop premises within which they were located.

The general investment policy for the investment portfolio, adopted by the Trustees and managed by the investment advisers, Coutts & Co, is to grow the investments above inflation whilst receiving an income, in the context of achieving these objectives in a time horizon of 5 to 8 years and within a risk category of medium to medium high. The Coutts portfolio manager actively monitors portfolio volatility and discusses the risks with Trustees at regular portfolio meetings.

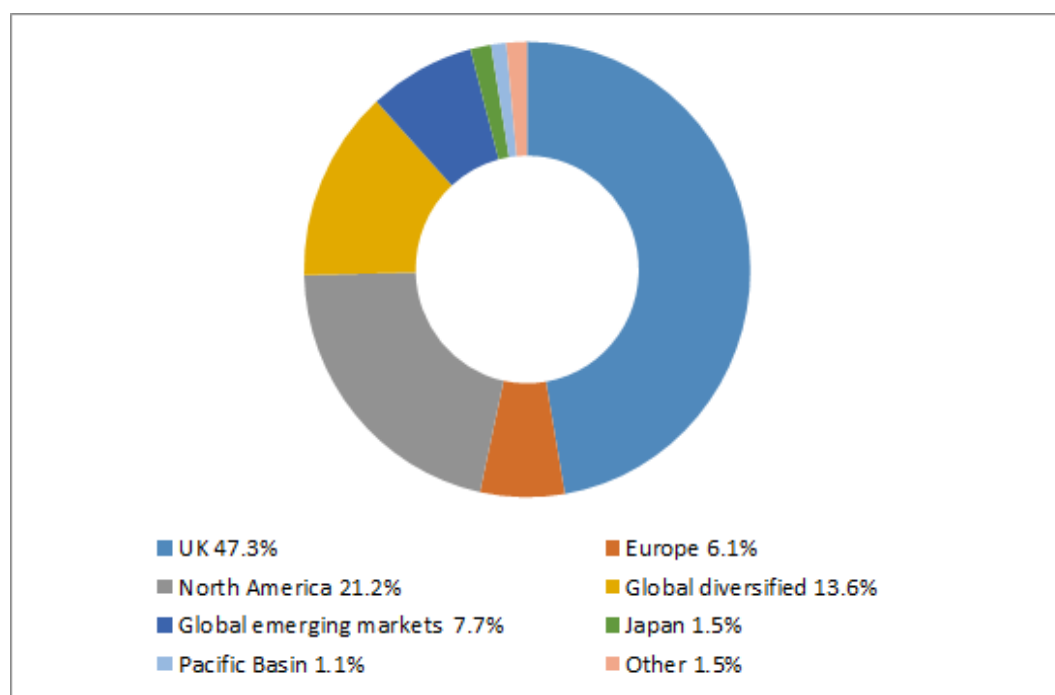
Coutts report that in the 12 month period to 31 March 2022 the weighted net return on the portfolio was 2.9%, compared to a return of 16.3% for the 12 months to 31 March 2021. This result was 1.8% behind the portfolio benchmark, which returned 4.72%. However, the benchmark result does not include the cost of investing in its return figures. Furthermore, an ESG (environmental, social and governance) screen was in place on a large part of the Pilgrims portfolio, which made the portfolio underweight in sectors that outperformed in the year compared to the benchmark. In absolute terms, the portfolio increased in value by 1.4% over the year. The portfolio had been performing strongly until the final quarter of the year, when concerns over inflation and the continuing supply chain problems, together with the war in Ukraine, caused markets to fall.

The asset distribution of the investment portfolio as at 31 March 2022 is set out below:

Asset class distribution



Geographic distribution



TRUSTEES' REPORT
FOR THE YEAR ENDED 31 March 2022

STATEMENT OF DISCLOSURE TO THE AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- So far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- That each Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the Charitable Company's auditors are aware of that information.

Charity Website

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

This report, including the Strategic Report, was approved by the Trustees, in their capacity as company directors on 29 September 2022 and signed on behalf of the company by:

.....
Karen Warden, Chair

INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 March 2022

Opinion

We have audited the financial statements of Pilgrims Hospices in East Kent (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2022 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 2022 and of the group'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 Pilgrims Hospices in East Kent'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
FOR THE YEAR ENDED 31 March 2022

Other Information

The other information comprises the information included in the trustees' annual report, including the strategic 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, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic 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, including the strategic 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

INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 March 2022

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.

INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 March 2022

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 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;
 - 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
FOR THE YEAR ENDED 31 March 2022

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.

Joanna Pittman (Senior statutory auditor)

Date: 10 October 2022

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

Pilgrims Hospices in East Kent

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

For the year ended 31 March 2022

	Note	Unrestricted £'000	Restricted £'000	Endowment £'000	2022 Total £'000	2021 Total £'000
Income from:						
Donations and legacies	3	6,958	1,962	–	8,920	3,081
Charitable activities	4	3,643	807	–	4,450	7,274
Other trading activities						
Fundraising income	5	6,710	–	–	6,710	3,073
Investments	6	308	–	–	308	296
Total income		17,619	2,769	–	20,388	13,724
Expenditure on:						
Raising funds						
Fundraising costs	7a	3,832	–	–	3,832	2,875
Investment management	7a	118	–	–	118	80
Charitable activities	7a	7,560	2,757	–	10,317	10,281
Total expenditure		11,510	2,757	–	14,267	13,236
Net income before net gains on investments		6,109	12	–	6,121	488
Net gains on investments		589	–	–	589	1,809
Net income for the year	9	6,698	12	–	6,710	2,297
Transfers between funds		13	–	(13)	–	–
Net movement in funds		6,711	12	(13)	6,710	2,297
Reconciliation of funds:						
Total funds brought forward		23,407	408	13	23,828	21,531
Total funds carried forward		30,118	420	–	30,538	23,828

Balance sheets

Company no. 2000560

As at 31 March 2022

		The group		The charity	
	Note	2022	2021	2022	2021
		£'000	£'000	£'000	£'000
Fixed assets:					
Tangible assets	14	8,563	8,789	8,563	8,789
Investment properties	15	4,100	3,610	4,100	3,610
Total tangible assets		12,663	12,399	12,663	12,399
Investments	16	8,040	7,928	8,040	7,928
		20,703	20,327	20,703	20,327
Current assets:					
Stock	19	14	13	–	–
Debtors	20	4,078	1,277	4,081	1,327
Cash at bank and in hand		9,528	3,066	9,481	3,023
		13,620	4,356	13,562	4,350
Liabilities:					
Creditors: amounts falling due within one year	21	(3,785)	(855)	(3,775)	(849)
Net current assets		9,835	3,501	9,787	3,501
Total net assets		30,538	23,828	30,490	23,828
Funds:	24a				
Endowment funds		–	13	–	13
Restricted income funds		420	408	420	408
Total endowment and restricted funds		420	421	420	421
Unrestricted income funds:					
Designated funds		12,563	8,789	12,563	8,789
Revaluation reserve		2,633	2,192	2,633	2,192
General funds		14,922	12,426	14,874	12,426
Total unrestricted funds		30,118	23,407	30,070	23,407
Total funds		30,538	23,828	30,490	23,828

Approved by the trustees on 29 September 2022 and signed on their behalf by

Karen Warden
Chair

Pilgrims Hospices in East Kent

Consolidated statement of cash flows

For the year ended 31 March 2022

	Note	2022 £'000	2021 £'000
Cash flows from operating activities			
Net income for the reporting period (as per the statement of financial activities)		6,710	2,297
Depreciation charges		306	318
(Gains) on investments		(589)	(1,809)
Dividends, interest and rent from investments		(308)	(296)
Loss on the disposal of fixed assets		–	(13)
Decrease in stocks		(1)	1
Decrease in debtors		(2,801)	203
Increase/(decrease) in creditors		2,930	(179)
Net cash provided by operating activities		6,247	522
Cash flows from investing activities:			
Dividends, interest and rents from investments		308	296
Purchase of fixed assets		(129)	(76)
Proceeds from sale of investments		3,786	5,811
Proceeds from sale of investment property		–	–
Purchase of investments		(3,750)	(5,767)
Net cash provided by investing activities		215	264
Change in cash and cash equivalents in the year		6,462	786
Cash and cash equivalents at the beginning of the year		3,066	2,280
Cash and cash equivalents at the end of the year	a	9,528	3,066

Analysis of cash and cash equivalents and of net debt

	At 1 April 2021 £	Cash flows £	Other non- cash changes £	At 31 March 2022 £
Cash at bank and in hand	3,066	6,462	–	9,528
a Total cash and cash equivalents	3,066	6,462	–	9,528

1 Accounting policies

a) Statutory information

Pilgrims Hospices in East Kent is a charitable company limited by guarantee and is incorporated in England.

The registered office address is 56 London Road, Canterbury, Kent CT2 8JA.

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) (effective 1 January 2019) and the Companies Act 2006.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Pilgrims Hospices Trading 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 because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

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

The financial statements are presented in sterling which is the functional currency of the Charity, and are rounded to the nearest thousand.

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.

Free reserves stand at eleven months of ongoing expenditure. The cash flow forecast and current budget projections indicate that Pilgrims has sufficient funds to finance itself during the next 12 months, from the date of signature of 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.

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.

1 Accounting policies (continued)

Legacies are reviewed on a case-by-case basis. For pecuniary legacies, entitlement is taken at the earlier of the date on which either: the charity is aware that probate has been granted, and the amount receivable can be measured reliably, and the receipt is probable; or when a distribution is received from the estate. For residuary legacies, entitlement is taken at 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. 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.

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. However, the trustees' annual report provides information about Pilgrims' volunteers and the contribution that they make to the charity.

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) 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.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor, or where donations are received in response to fundraising by the Charity for particular purposes. 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.

Investment income, gains and losses are allocated to the appropriate fund.

i) 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 inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of providing care and educational activities 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.

1 Accounting policies (continued)

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Support costs are the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function.

Fundraising support costs are the support costs directly attributed to the Lottery and Retail departments of the charity.

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.

Support and governance costs are re-allocated to each of the activities according to the proportion of total direct costs attributable to each of those activities.

	Support	Governance
● In-patient	68%	80%
● Community services	11%	13%
● Counselling	4%	4%
● Information and education	2%	3%
● Governance	15%	–

k) Operating leases

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

l) Tangible fixed assets

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:

● Freehold land and buildings	50 years
● Long leasehold land and buildings	50 years
● Motor vehicles	4 years
● Fixtures and fittings	4–5 years
● Equipment	5–10 years

Freehold land is not depreciated.

m) Investment properties

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value. Investment properties are not depreciated. Fair value is determined annually by the Trustees based on advice received. Any change in fair value is recognised in 'net gains/(losses) on investments' in the statement of financial activities. The valuation method used to determine fair value will be stated in the notes to the accounts.

1 Accounting policies (continued)

n) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'net gains/(losses) on investments' in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

o) Investments in subsidiaries

Investments in subsidiaries are at cost.

p) Stocks

Stocks consist of purchased goods for resale and 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.

q) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

s) 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.

t) 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.

u) 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.

v) Pensions

The Group operates a defined contribution pension scheme open to all employees. However, certain employees are already members of professional pension schemes to which Pilgrims Hospices in East Kent continues to make contributions as their employer. The pension costs charged in the financial statements represent the contributions payable by the Group during the year.

Baptist Pension Scheme

The Charity also participates in the Baptist Pension Scheme (the Plan). The Plan is funded and is not contracted out of the state scheme. It is a multi-employer pension plan and it is not possible, in the normal course of events, to identify, on a reasonable and consistent basis, the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the Plan, the accounting charge for the period under review represents the employer contribution payable. While the Plan is primarily a defined contribution scheme it has inherent guarantees that mean the Group may need to make further contributions to meet deficits. During the year, the charity exited the Plan and paid off all liabilities owed up to that point. Further details are provided in Note 28.

1 Accounting policies (continued)

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up. The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt. Further details including the current buy-out debt amount are given in Note 28 as a liability.

NHS Pension

Staff transferring from the NHS may continue to contribute to the NHS scheme.

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

i) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2022, is based on valuation data as 31 March 2021, updated to 31 March 2022 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

ii) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay.

The 2016 funding valuation also tested the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. There was initially a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

HMT published valuation directions dated 7 October 2021 (see Amending Directions 2021) that set out the technical detail of how the costs of remedy are included in the 2016 valuation process. Following these directions, the scheme actuary has completed the cost control element of the 2016 valuation for the NHS Pension Scheme, which concludes no changes to benefits or member contributions are required. The 2016 valuation reports can be found on the NHS Pensions website at <https://www.nhsbsa.nhs.uk/nhs-pension-scheme-accounts-and-valuation-reports>.

2 Detailed comparatives for the statement of financial activities

	Unrestricted £'000	Restricted £'000	Endowment £'000	2021 Total £'000
Income from:				
Donations and legacies	2,029	1,052	–	3,081
Charitable activities	5,044	2,230	–	7,274
Other trading activities				
Fundraising income	3,073	–	–	3,073
Investments	296	–	–	296
Total income	10,442	3,282	–	13,724
Expenditure on:				
Raising funds				
Fundraising costs	2,875	–	–	2,875
Investment management	80	–	–	80
Charitable activities	7,091	3,190	–	10,281
Total expenditure	10,046	3,190	–	13,236
Net (expenditure)/income before investment gains	396	92	–	488
Net gains on investments	1,809	–	–	1,809
Net (expenditure)/income before other recognised gains and losses	2,205	92	–	2,297
Net movement in funds	2,205	92	–	2,297
Total funds brought forward	21,202	316	13	21,531
Total funds carried forward	23,407	408	13	23,828

3 Income from donations and legacies

	Unrestricted £'000	Restricted £'000	2022 Total £'000	Unrestricted £'000	Restricted £'000	2021 Total £'000
Donations	5,082	132	5,214	1,305	47	1,352
Legacies	1,876	1,830	3,706	724	1,005	1,729
	6,958	1,962	8,920	2,029	1,052	3,081

At the balance sheet date, Pilgrims had received notice of £568,000 of reversionary legacies which may become receivable in the future. These legacies are gifts of money or assets which only take effect subject to the prior right of a named person or persons to receive the benefit of those monies or assets, or income produced by them, during the person or persons lifetime. The gift then passes absolutely to Pilgrims as the “reversionary beneficiary” on the death of the named person or persons.

Besides these reversionary legacies, there was potential legacy income to a value of £739,590 (£1,247,180 in 2020–21) from legacies that were pending confirmation of probate or awaiting receipt of the estate accounts.

4 Income from charitable activities

	Unrestricted £'000	Restricted £'000	2022 Total £'000	Unrestricted £'000	Restricted £'000	2021 Total £'000
Grants receivable						
Local Health Authority	2,998	–	2,998	2,720	156	2,876
NHSE/Hospice UK	–	807	807	3	2,074	2,077
Other grants	110	–	110	1,904	–	1,904
Total grants receivable	3,108	807	3,915	4,627	2,230	6,857
Fees receivable						
Medical fees	437	–	437	360	–	360
Ministers' fees	–	–	–	–	–	–
Course fees and hire of facilities	98	–	98	57	–	57
Total fees receivable	535	–	535	417	–	417
Total income from charitable activities	3,643	807	4,450	5,044	2,230	7,274

The Local Health Authority Grant is a grant from the local NHS Clinical Commissioning Groups (CCGs) awarded under a service funding agreement for the provision of specialist palliative and Hospice at Home care.

NHS England (NHSE) awarded funding (distributed via Hospice UK) to allow the hospice to make available bed capacity and community support from December 2021 to March 2022, to provide support to people with complex needs as a result of the continuing COVID-19 pandemic and specifically during the surge in infections caused by the Omicron variant.

5 Income from fundraising

	2022 Total £'000	2021 Total £'000
General fundraising	132	77
Proceeds of events	861	502
Income from Retail	4,469	1,296
Income from Lottery	1,186	1,151
Trading sales (note 17)	62	47
	6,710	3,073

All income from fundraising activities is unrestricted.

6 Income from investments

	2022 Total £'000	2021 Total £'000
Investment properties	186	156
Listed investments	122	139
Interest receivable on cash deposits	–	1
	308	296

All income from investments is unrestricted.

Pilgrims Hospices in East Kent

Notes to the financial statements

For the year ended 31 March 2022

7a Analysis of expenditure (current year)

	Fundraising costs £'000	Investment management £'000	Charitable activities				2022 Total £'000	2021 Total £'000
			In-patient £'000	Community services £'000	Counselling £'000	Information and education £'000		
Direct costs								
Staff costs (note 10)	577	–	5,605	1,077	378	140	7,777	7,995
Staff agency costs	–	–	191	–	–	–	191	146
Food	–	–	70	–	–	–	70	56
Medical supplies	–	–	132	–	–	–	132	148
Laundry and cleaning	–	–	84	–	–	–	84	87
Heat, light and water	–	–	146	–	–	–	146	163
Repairs and maintenance	–	–	247	–	–	–	247	238
Postage, printing and stationery	84	–	18	–	–	–	102	112
Recruitment advertising and fees	–	–	–	–	–	–	–	–
Telephone	–	–	10	40	–	–	50	68
Insurance	–	–	–	–	–	–	–	–
Travel	–	–	116	33	1	2	152	51
Course fees and expenses	–	–	–	–	–	62	62	24
Professional books and journals	–	–	–	–	–	1	1	1
Costs of education centre	–	–	–	–	–	7	7	3
Prizes	212	–	–	–	–	–	212	213
Other costs	343	–	75	2	8	–	428	95
Trading company costs of sales	14	–	–	–	–	–	14	11
Publicity	8	–	–	–	–	–	8	5
Event costs	–	–	–	–	–	–	–	–
Investment property costs	–	82	–	–	–	–	82	42
Investment management fees	–	36	–	–	–	–	36	38
Depreciation	–	–	309	–	–	–	309	315
	1,238	118	7,003	1,152	387	212	10,110	9,811
Support costs (note 8a)	2,594	–	1,047	173	59	31	3,904	3,185
Governance costs (note 8a)	–	–	203	33	11	6	253	240
Total charity expenditure 2022	3,832	118	8,253	1,358	457	249	14,267	
Total charity expenditure 2021	2,875	80	8,360	1,297	463	161		13,236

Pilgrims Hospices in East Kent

Notes to the financial statements

For the year ended 31 March 2022

7b Analysis of expenditure (prior year)

	Fundraising costs £'000	Investment management £'000	Charitable activities				2021 Total £'000
			In-patient £'000	Community services £'000	Counselling £'000	Information and education £'000	
Direct costs							
Staff costs (note 10)	565	-	5,896	1,031	393	110	7,995
Staff agency costs	-	-	146	-	-	-	146
Food	-	-	56	-	-	-	56
Medical supplies	-	-	148	-	-	-	148
Laundry and cleaning	-	-	87	-	-	-	87
Heat, light and water	-	-	163	-	-	-	163
Repairs and maintenance	-	-	238	-	-	-	238
Postage, printing and stationery	95	-	17	-	-	-	112
Recruitment advertising and fees	-	-	-	-	-	-	-
Telephone	-	-	22	46	-	-	68
Insurance	-	-	-	-	-	-	-
Travel	-	-	21	29	1	-	51
Course fees and expenses	-	-	-	-	-	24	24
Professional books and journals	-	-	-	-	-	1	1
Costs of education centre	-	-	-	-	-	3	3
Prizes	213	-	-	-	-	-	213
Other costs	77	-	18	-	-	-	95
Trading company costs of sales	11	-	-	-	-	-	11
Publicity	5	-	-	-	-	-	5
Event costs	-	-	-	-	-	-	-
Investment property costs	-	42	-	-	-	-	42
Investment management fees	-	38	-	-	-	-	38
Depreciation	-	-	315	-	-	-	315
	966	80	7,127	1,106	394	138	9,811
Support costs	1,909	-	1,038	161	58	19	3,185
Governance costs	-	-	195	30	11	4	240
Total charity expenditure	2,875	80	8,360	1,297	463	161	13,236

Pilgrims Hospices in East Kent

Notes to the financial statements

For the year ended 31 March 2022

8a Support and governance costs (current year)

	Fundraising costs £'000	Charitable activities					2022 Total £'000	2021 Total £'000
		In-patient £'000	Community services £'000	Counselling £'000	Information and education £'000	Governance £'000		
Staff costs	1,197	721	119	40	22	158	2,257	2,079
Staff agency costs	233	10	2	1	-	2	248	82
Repairs and maintenance	120	1	-	-	-	-	121	58
Postage, print and stationery	-	11	2	1	-	2	16	7
Telephone	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-
Occupational health	-	-	-	-	-	-	-	11
Life assurance	-	16	3	1	-	4	24	16
Computer costs	-	133	22	7	4	29	195	197
Bank charges	-	23	4	1	1	5	34	20
Auditors' remuneration	2	-	-	-	-	25	27	23
Professional and consultancy fees	-	20	3	1	1	4	29	19
Other shops and lottery costs	520	-	-	-	-	-	520	402
Rent and rates	520	-	-	-	-	-	520	397
Partial exemption adjustment	-	12	2	1	-	3	18	24
Sundry	-	100	16	6	3	22	147	86
Depreciation	2	-	-	-	-	-	2	4
	2,594	1,047	173	59	31	254	4,158	3,425
Allocation of governance	-	203	33	11	6	(253)		
Total support and governance expenditure 2022	2,594	1,250	206	70	37	1		3,425

Pilgrims Hospices in East Kent

Notes to the financial statements

For the year ended 31 March 2022

8b Support and governance costs (prior year)

	Charitable activities						2021 Total £'000
	Fundraising costs £'000	In-patient £'000	Community services £'000	Counselling £'000	Information and education £'000	Governance £'000	
Staff costs	1,018	737	114	41	14	155	2,079
Staff agency costs	43	27	4	1	1	6	82
Repairs and maintenance	43	10	2	1	-	2	58
Postage, print and stationery	-	5	1	-	-	1	7
Telephone	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Occupational health	-	8	1	-	-	2	11
Life assurance	-	11	2	1	-	2	16
Computer costs	-	136	21	8	3	29	197
Bank charges	-	14	2	1	-	3	20
Auditors' remuneration	2	-	-	-	-	21	23
Professional and consultancy fees	-	13	2	1	-	3	19
Other shops and lottery costs	402	-	-	-	-	-	402
Rent and rates	397	-	-	-	-	-	397
Partial exemption adjustment	-	17	3	1	-	3	24
Sundry	-	60	9	3	1	13	86
Depreciation	4	-	-	-	-	-	4
	1,909	1,038	161	58	19	240	3,425
Allocation of governance	-	195	30	11	4	(240)	
Total expenditure 2021	1,909	1,233	191	69	23	-	

Notes to the financial statements

For the year ended 31 March 2022

9 Net income for the year

This is stated after charging / (crediting):

	2022	2021
	£'000	£'000
Depreciation	306	318
Operating lease rentals:		
Property	492	400
Other	92	63
Operating lease rentals receivable:		
Property	(186)	(156)
Auditor's remuneration (excluding VAT):		
Audit of charity – current year	25	22
Audit of charity – under/(over) accrual in previous years	(1)	(1)
Audit of trading subsidiary	2	2
	2	2

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

Staff costs were as follows:

	2022	2021
	£'000	£'000
Salaries and wages	8,580	8,620
Redundancy and termination costs	–	–
Social security costs	753	753
Employer's contribution to defined contribution pension schemes	701	701
	10,034	10,074

Allocated to:

Direct costs (note 7)	7,777	7,995
Support and governance (note 8)	2,257	2,079
	10,034	10,074

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

	2022	2021
	No.	No.
£60,000 – £69,999	2	5
£70,000 – £79,999	5	3
£80,000 – £89,999	–	–
£90,000 – £99,999	1	–
£100,000 – £109,999	–	1
£110,000 – £119,999	1	–
£120,000 – £129,999	–	–
£130,000 – £139,999	–	–

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £546,625 (2021: £496,492).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £Nil (2021: £Nil) incurred by 0 (2021: 0) trustee(s) relating to attendance at meetings of the trustees.

Notes to the financial statements

For the year ended 31 March 2022

11 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 349 (2021: 361). The figures for headcount and full time equivalent staff have been re-stated for 2020-21 as in years prior to 2021-22, casual clinical ("bank") staff employed in the in-patient units were not included in the totals.

Staff are split across the activities of the charity as follows :

	Headcount		Full time equivalent	
	2022 No.	2021 No.	2022 No.	2021 No.
Fundraising	23.0	24.0	19.3	19.1
Trading	54.0	48.0	50.0	45.2
In-patient	189.0	202.0	157.5	163.0
Community services	33.0	33.0	28.5	27.9
Counselling	22.0	24.0	12.2	11.8
Information and education	4.0	7.0	4.1	5.8
Administration and support	24.0	23.0	24.5	22.9
	349.0	361.0	296.1	295.7

12 Related party transactions

During the year, donations amounting to £2,400 were made by trustees to the charity. Other than these donations, there were no donations from other related parties which were outside the normal course of business and there were no restricted donations from related parties.

Pilgrims Hospices Trading Limited incurred management charges payable to the Charity of £2,410 (2021: £1,511). In addition, the Charity purchased goods from Pilgrims Hospices Trading of £nil (2021: £nil). Pilgrims Hospices Trading covenanted its profit of £42,348 (2021: £34,137) to the Charity.

13 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 Pilgrims Hospices Trading Limited distributes under Gift Aid available profits to the parent charity. Its charge to corporation tax in the year was:

	2022 £'000	2021 £'000
UK corporation tax at 19%	-	-

Notes to the financial statements

For the year ended 31 March 2022

14 Tangible fixed assets

The group and charity

	Freehold land and buildings £'000	Long leasehold land and buildings £'000	Furniture and furnishings £'000	Equipment £'000	Motor vehicles £'000	Total £'000
Cost						
At the start of the year	10,540	2,684	318	897	38	14,477
Transfer from tangible fixed assets	37	-	-	76	16	129
Transfers to Investment Properties in the year	(72)	-	-	-	-	(72)
At the end of the year	10,505	2,684	318	973	54	14,534
Depreciation						
At the start of the year	3,352	1,330	294	678	34	5,688
Charge for the year	158	62	6	73	7	306
Eliminated on transfer to Investment Properties	(23)	-	-	-	-	(23)
At the end of the year	3,487	1,392	300	751	41	5,971
Net book value						
At the end of the year	7,018	1,292	18	222	13	8,563
At the start of the year	7,188	1,354	24	219	4	8,789

Land with a value of £2 million (2021: £2 million) is included within freehold property and not depreciated.

All of the above assets are used for charitable purposes.

15 Investment properties

The group and charity

	2022 £'000	2021 £'000
Fair value at the start of the year	3,610	2,580
Transfers from tangible fixed assets	49	250
Disposals	-	-
Revaluation during the year	441	780
Fair value at the end of the year	4,100	3,610
Historic cost	1,467	1,418

The properties were last valued, as at 31 March 2022, in May and June 2022 by Rob Bryer, MARLA MNAEA from The Good Estate Agent.

Management undertakes regular reviews of the condition of the investment properties and regular maintenance is undertaken in order to maintain values.

Notes to the financial statements

For the year ended 31 March 2022

16 Listed investments

The group and charity	Listed £'000	Other £'000	2022 £'000	Listed £'000	Other £'000	2021 £'000
Fair value at the start of the year	7,929	(1)	7,928	6,491	452	6,943
Additions at cost	3,622	128	3,750	5,767	–	5,767
Disposal proceeds	(3,786)	–	(3,786)	(5,358)	(453)	(5,811)
Net (loss)/gain on change in fair value	148	–	148	1,029	–	1,029
Fair value at the end of the year	<u>7,913</u>	<u>127</u>	<u>8,040</u>	<u>7,929</u>	<u>(1)</u>	<u>7,928</u>

Investments comprise:

	2022 £'000	2021 £'000
Fixed interest	3,538	3,570
Managed funds (equity based)	4,375	4,359
Alternative investment funds	–	–
Cash	<u>127</u>	<u>(1)</u>
All fixed assets are held in the UK.	<u>8,040</u>	<u>7,928</u>

Notes to the financial statements

For the year ended 31 March 2022

17 Subsidiary undertakings

The charity owns the whole of the issued ordinary share capital (2 ordinary shares of £1 each) of Pilgrims Hospices Trading Limited, a company registered in England. The company number is 07993259. The registered office address is 56 London Road, Canterbury, Kent CT2 8JA.

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 charity also owns the whole of the issued ordinary share capital of Hospice Shops Limited (company registration number 01623758) (3 ordinary shares of £1 each) and Pilgrims Hospice Lottery Limited (company registration number 03130167) (2 ordinary shares of £1 each). Both are incorporated in England and Wales, and the registered office is 56 London Road, Canterbury, Kent CT2 8JA.

Hospice Shops Limited and Pilgrims Hospice Lottery Limited are dormant and did not trade during the year.

The Chair of Pilgrims Hospices in East Kent, Karen Warden, is also the director of all the subsidiary companies.

A summary of the results of Pilgrims Hospices Trading Limited is shown below:

	2022 £'000	2021 £'000
Turnover	62	47
Cost of sales	(14)	(11)
Gross profit/(loss)	48	36
Administrative expenses	(4)	–
Management charge payable to parent undertaking	(2)	(2)
Profit on ordinary activities before taxation	42	34
Taxation on profit on ordinary activities	–	–
Profit for the financial year	42	34
Retained earnings		
Total retained earnings brought forward	–	–
Profit for the financial year	42	34
Distribution under Gift Aid to parent charity	(42)	(34)
Prior year distribution disallowed	48	–
Total retained earnings carried forward	48	–
The aggregate of the assets, liabilities and reserves was:		
Assets	63	64
Liabilities	(15)	(64)
Reserves	48	–

Amounts owed to/from the parent undertaking are shown in note 20.

18 Parent charity

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

	2022 £'000	2021 £'000
Gross income	20,328	13,714
Result for the year	6,661	2,296

Notes to the financial statements

For the year ended 31 March 2022

19 Stock

	The group		The charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Finished goods	14	13	-	-

20 Debtors

	The group		The charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade debtors	2,992	122	2,991	122
Other debtors	238	8	237	-
Amounts due from group undertakings	-	-	5	58
Prepayments and other accrued income	746	621	746	621
Accrued legacy income	102	526	102	526
	4,078	1,277	4,081	1,327

21 Creditors: amounts falling due within one year

	The group		The charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade creditors	279	278	273	278
Corporation tax	-	-	-	-
Other taxation and social security	174	210	174	210
Other creditors	88	60	88	60
Accruals	75	107	71	101
Deferred income (note 22)	3,169	200	3,169	200
	3,785	855	3,775	849

22 Deferred income

Deferred income comprises NHS grant payments, lottery subscriptions, course fees and fundraising activities taking place in the following year.

	The group		The charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Amount deferred in the year				
Balance at the beginning of the year	200	355	200	355
Amount deferred in the year	3,169	200	3,169	200
Amount released to income in the year	(200)	(355)	(200)	(355)
Balance at the end of the year	3,169	200	3,169	200

23 Financial instruments

	2022	2021
	£'000	£'000
Financial assets measured at fair value through profit and loss		
Investment properties	4,100	3,610
Listed Investments	8,040	7,928
	12,140	11,538

Notes to the financial statements

For the year ended 31 March 2022

24a Analysis of group net assets between funds (current year)

	General unrestricted £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Tangible fixed assets	–	8,563	–	–	8,563
Investment properties	4,100	–	–	–	4,100
Investments	8,040	–	–	–	8,040
Net current assets	5,415	4,000	420	–	9,835
Net assets at 31 March 2022	17,555	12,563	420	–	30,538

24b Analysis of group net assets between funds (prior year)

	General unrestricted £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Tangible fixed assets	–	8,789	–	–	8,789
Investment properties	3,610	–	–	–	3,610
Investments	7,915	–	–	13	7,928
Net current assets	3,093	–	408	–	3,501
Net assets at 31 March 2021	14,618	8,789	408	13	23,828

25a Movements in funds (current year)

	At 1 April 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	Net assets at 31 March £'000
Endowment funds:						
Permanent endowment fund	13	–	–	(13)	–	–
Restricted funds:						
Ashford Hospice	90	1,019	(1,012)	–	–	97
Bedside Funds	8	–	–	–	–	8
Canterbury Hospice	18	948	(948)	–	–	18
Thanet Hospice	11	771	(771)	–	–	11
Hospice at Home	–	1	(1)	–	–	–
Virtual reality headsets	–	–	–	–	–	–
Sundry projects	281	30	(25)	–	–	286
Total restricted funds	408	2,769	(2,757)	–	–	420
Unrestricted funds:						
Designated funds:						
Fixed asset fund	8,789	–	(283)	57	–	8,563
Canterbury Hospice	–	4,000	–	–	–	4,000
Total designated funds	8,789	4,000	(283)	57	–	12,563
Revaluation reserve	2,192	–	–	–	441	2,633
General funds	12,426	13,619	(11,227)	(44)	148	14,922
Total unrestricted funds	23,407	17,619	(11,510)	13	589	30,118
Total funds	23,828	20,388	(14,267)	–	589	30,538

The narrative to explain the purpose of each fund is given at the foot of the note below.

Notes to the financial statements

For the year ended 31 March 2022

25b Movements in funds (prior year)

	At 1 April 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	At 31 March 2021 £'000
Endowment funds:						
Permanent endowment fund	13	–	–	–	–	13
Restricted funds:						
Ashford Hospice	109	1,052	(1,071)	–	–	90
Bedside Fund	14	2	(8)	–	–	8
Canterbury Hospice	20	1,118	(1,120)	–	–	18
Thanet Hospice	26	953	(968)	–	–	11
Hospice at Home	–	1	(1)	–	–	–
Virtual reality headsets	14	–	(14)	–	–	–
Sundry projects	133	156	(8)	–	–	281
Total restricted funds	316	3,282	(3,190)	–	–	408
Unrestricted funds:						
Designated funds:						
Fixed asset fund	9,268	–	–	(479)	–	8,789
Total designated funds	9,268	–	–	(479)	–	8,789
Revaluation reserve	1,413	–	–	(1)	780	2,192
General funds	10,521	10,442	(10,046)	480	1,029	12,426
Total unrestricted funds	21,202	10,442	(10,046)	–	1,809	23,407
Total funds	21,531	13,724	(13,236)	–	1,809	23,828

Purpose of endowment fund

This represents part of the total assets of the Canterbury Dispensary Fund, received in the year to 31 March 2000. The capital is invested in a unit trust. Given the length of time that had elapsed since the fund was created, the Board considered whether it should be continued with. The Board took advice from the Charity Commission in their review and resolved that the fund should be closed and the balance held in it transferred to the main investment portfolio.

Purposes of restricted funds

These represent donations, legacies and grants received for specific purposes. Those funds associated with the three hospice sites are for projects to be undertaken for the improvement of patient care at those specific sites.

The **Bedside Fund** provides funding for the upgrade or replacement of items of equipment needed 'at the bedside' across the three hospice sites.

The **Virtual reality headsets fund** will enable the provision of Virtual headsets on each inpatient unit that can be utilised as diversional Therapy, reducing anxiety and pain in patients.

Included in **Sundry projects** is a legacy specifically for the funding of training for health and social care professionals, with a revised programme planned for future years, as well as a grant for a pilot scheme with certain east Kent GP practices to help identify patients that would benefit from early referral to Pilgrims' services and expertise. The projects also include a fund for the employment of a Specialist Nurse who will recruit and train expert volunteers to provide bereavement support to bereaved families across east Kent.

Purposes of designated funds

The fixed asset fund has been set up to identify those funds that are not free funds and it represents the net book value of tangible fixed assets. The transfer between the unrestricted general fund and the fixed asset fund represents the net movement in the net book value of fixed assets in the year. The Canterbury Hospice Fund has been set up as a fund into which has been placed a donation of £4 million from the Pentland Homes and the Tory Foundation which trustees have designated as funding with which to build a new hospice in Thanington. Other income funds raised specifically for the project will also be allocated to this fund.

Revaluation reserve

The revaluation reserves represents the increase in valuation of investment properties above the cost price paid.

Notes to the financial statements

For the year ended 31 March 2022

26 Operating lease commitments payable as a lessee

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

	Land and buildings		Equipment and vehicles	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Less than one year	241	413	50	44
One to five years	460	505	104	29
Over five years	114	164	-	-
	815	1,082	154	73

27 Operating lease commitments receivable as a lessor

The group leases out the investment property under non-cancellable operating leases for the following future minimum lease payments. There are no contingent rents.

	Property	
	2022	2021
	£	£
Less than one year	205	185
One to five years	-	-
Over five years	-	-
	205	185

28 Pension commitments – defined benefit plan

The Charity participates in the Baptist Pension Scheme (the Plan). The Plan is funded and is not contracted out of the state scheme. It is a multi-employer pension plan and it is not possible, in the normal course of events, to identify, on a reasonable and consistent basis, the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS102 represents the employer contribution payable. While the Plan is primarily a defined contribution scheme it has inherent guarantees that mean the charity may need to make further contributions to meet deficits.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan and The Pensions Act 2011 has more recently altered the definitions. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up. The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

The Charity had been notified by the Baptist Pension Scheme of the estimated employer debt on withdrawal from the Plan based on the current financial position of the Plan at the time. A provision based on the estimate was made in the accounts as at 31 March 2021 and carried into the new financial year. In the final quarter of 2021–22 Pilgrims withdrew from the Plan and the provision of £35,900 carried into this year was sufficient to clear the outstanding deficit owed by Pilgrims to the Plan at the point of withdrawal.

29 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.

Accounts

Company number: 02000560

Charity number: 293968

Pilgrims Hospices in East Kent

Report and financial statements

For the year ended 31 March 2021

PILGRIMS HOSPICES IN EAST KENT
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 March 2021

Trustees

R J Davis FCA TEP – Chairman and Treasurer (retired June 2020)
S Bates LLB. (Hons.)
P Bradshaw
G Connor (resigned 29 December 2020)
S Cuomo
H Harrison (resigned 1 June 2020)
M Laing (resigned 8 December 2020)
S Oriel MA (Cantab)
S Perks
E Sharp MB BS, FRCS
K Warden – Deputy Chair and Chair from 8 December 2020
P Williamson (resigned 22 October 2020)
Dr R Wilson

Company registered number 02000560

Charity registered number 293968

Registered office

56 London Road
Canterbury
Kent
CT2 8JA

Independent auditor

Sayer Vincent LLP
Invicta House
108-114 Golden Lane
London, EC1Y 0TL

PILGRIMS HOSPICES IN EAST KENT
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 March 2021

The trustees are pleased to present their audited annual report together with the consolidated financial statements of the charity (and its subsidiary) for the year ended 31 March 2021 which are also prepared in order to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial elements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, and 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).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Pilgrims Hospices in East Kent is a registered charity and company limited by guarantee. The guarantee of each member is limited to £1. It was incorporated on 14 March 1986 and is governed by its Articles of Association. The charity was established to promote the relief of sickness and suffering for persons living or working in east Kent.

GOVERNANCE

The charity is governed by a Board of trustees numbering not less than five and not more than eighteen. As at 31 March 2021 there were eight trustees, following the resignations of Richard Davis and Hereward Harrison in June 2020, Paul Williamson in October 2020 and Margo Laing and Graham Connor in December 2020. The Board governs in accordance with the Articles of Association and trustees bring relevant experiences and skill sets from a variety of sectors, as determined by a regular skills audit of the Board, from which recruitment is driven. Over the period of this report, the sectors include, for example, clinical, business, spiritual/religion, retail, HR/education, legal, accounting, PR, and IT.

As noted above, Richard Davis retired as Chair of the Board of Trustees in June 2020, after 28 years of dedicated service to Pilgrims. Pilgrims has been hugely fortunate through Mr Davis's tenure to have benefitted from his insight and experience; He worked tirelessly in support of Pilgrims and has been instrumental in everything that Pilgrims has achieved. Mr Davis's dedicated commitment and leadership ensured that Pilgrims was able to successfully respond through the initial critical phase of the COVID-19 outbreak. Karen Warden took on the role of Acting Chair following Richard Davis's resignation and was appointed as Chair on 8 December 2020, following a recruitment campaign overseen by the Nominations and Governance Committee. Hereward Harrison, Paul Williamson, Margo Laing and Grahame Connor all resigned as trustees in October and December respectively for which the Chair thanked them for the immense contribution they had made to Pilgrims over the years they had been involved with the charity.

New trustees are appointed initially by the Board following a formal process which includes interviews by a sub-committee of the Board and by the Chair and Chief Executive, leading to a recommendation by the sub-committee to the Board. Applicants are sought from a combination of publicly advertised vacancies and personal referrals. Successful applicants are subject to re-election by the members at the next Annual General Meeting following their appointment by the Board. Procedures are in place for trustee induction and development. Training of the trustees is reviewed against individual training needs and a full introduction and induction to the organisation is given to new trustees on and shortly following their appointment. Discussions have taken place with the National Council for Voluntary Organisations (NCVO) to work with the Board to develop its Board Development programme that will be taken forward during 2021-22.

Trustees are appointed for an initial three-year term and may be re-appointed for two further three-year terms. A trustee who has served for 9 years can only be re-elected by unanimous resolution of the members and for a term not exceeding 5 years. There were no new appointments to the Board during this period.

The Board normally meets four times a year to review strategy and performance and is supported in its work by a number of trustee-led sub-committees.

The Board recognises that good governance is essential for the success of the charity and has made good progress in developing its governance policies and practices in line with the principles set out in the Charity

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Governance Code for larger charities. The Nominations and Governance Committee will continue to review progress with the full implementation of the Code through an action plan developed from the diagnostic tool made available from the Charity Commission.

OUR COMMITTEES

Board committees have delegated powers of responsibility but executive authority is retained by the Board. They are chaired by a trustee, have written terms of reference and provide linkage to the main Board and support to senior management. Trustees are selected as committee members having regard to their skills, knowledge and expertise and committees may include appropriately qualified individuals (thinking partners), who are not trustees, co-opted from outside the charity. Members of the Executive Management Team also attend committee meetings relevant to their professional area of expertise. Each committee reports to the Board on any major issues discussed, with recommendations where decisions are required. Minutes of committee meetings are circulated to the Board as a whole and each Committee identifies areas for consideration by other committees thus ensuring no Committee works in isolation.

The Finance Committee oversees the finances of the charity and its subsidiary company. It is responsible for reviewing and recommending to the Board the financial strategy along with the annual budget and monitors performance against these. The Committee also oversees the strategy for investing funds and keeps the Board informed of relevant general changes in the financial environment. It reviews risk plans and corporate risks relating to finance, investment and audit. The Committee reviews the annual accounts and manages Pilgrims' relationship with the external auditors as well as monitoring their performance on an annual basis.

The Income Generation Committee supports all fundraising activities of the charity, as well as communicating the hospices' vision, mission, and services to patients, carers, healthcare professionals and the public. It reviews the fundraising plans and retail strategies (for instance, the opening of a new shop) before referring them to the Board for approval, as well as monitoring risks relating to Pilgrims' income generating activities.

The Quality and Governance Board provides the Board with assurance concerning all aspects of quality and safety relating to the provision of care and services in support of getting the best clinical outcomes and experience for patients, carers and their families. The Quality and Governance Board oversees the content and effectiveness of the structures, policies, systems and processes for quality assurance, clinical, information and quality governance. It assesses current and future risks to quality and safety which may be included in the clinical services and other risk registers. It advises the Board on any significant issues regarding quality, risk or compliance issues. The Quality and Governance Board is also responsible for overseeing matters relating to information governance. Issues relating to information governance are handled by the Information Governance Group, which reports to the Quality and Governance Board.

The Major Projects Committee met regularly during this period to consider the current and future real estate requirements of Pilgrims Hospices and to progress the proposed refurbishment and new build projects in line with the strategy and budget approved by the Board of Trustees. The Committee considered the current and future operational needs of Pilgrims Hospices and how these needs could best be addressed through redevelopment and refurbishment of the current sites whilst engaging with architects, surveyors, solicitors, financial advisers and sales and marketing agents in developing appropriate plans.

The Remuneration and Workforce Committee meets regularly to review terms and conditions of employment and to set the overall remuneration policy. Pilgrims Hospices is committed to ensuring that the salary levels paid across the organisation remain competitive and that staff are rewarded fairly for the work they do.. Pilgrims Hospices has a clear policy on how pay is set and arrived at in the organisation.

The Nominations and Governance Committee considers the corporate governance of the hospice. It reports to the Board on any changes that may need to be made in order to comply with legal and regulatory requirements. It also reviews the Board's skills mix and capabilities and makes recommendations on nominations for new membership to underpin the Board's capability and diversity and to provide robust governance and directorship of the hospice.

The Clinical Service Development Committee was created in 2020 in order to develop clinical service

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proposals and service redesigns in line with our agreed clinical strategy. It will review our Think Talk Act Be Programme (TTAb), consider our response to the reorganised architecture of the Health and Social Care sector, and the continuing impact of Coronavirus (COVID-19) on service delivery and the views of our supporters. The Committee will ensure that any service proposal remains in line with our charitable objectives and is sustainable from both a financial and service perspective. The Committee considers the needs of our stakeholders when developing service proposals. The Committee will help define Pilgrim's role as an intelligent provider that can influence and educate both commissioners and other providers across the local health economy whilst ensuring Pilgrims delivers services that are integrated across the end of life and palliative care pathway.

The Chief Executive and the Executive Management Team have delegated authority to manage the charity's operations on a day to day basis, within the annual budget approved by the Board. They have the specific skills and experience to enable them to fulfil their roles and report progress on this at the quarterly Board meetings and through financial reports to the trustees.

In addition, the Executive Management Team meet formally every month to review all activity and adherence to the overall business plan. The output of these meetings and discussion points are disseminated throughout the business at regular management meetings. There is a flow of communication throughout the organisation which is cross functional and cross site with local issues managed at local management team meetings. Issues can be escalated to the Executive Management Team and, where relevant, to the trustees. In addition, there are regular functional specific meetings with reviews of critical activity. This, together with additional weekly operational meetings, ensures that there is a robust management of the day to day running of the hospices.

REMUNERATION POLICY

The remuneration of key management personnel is reviewed on an annual basis by the Remuneration Committee, as part of its review of salary levels across the organisation. This review ensures the remuneration is competitive within the charity and healthcare sector. The Committee considers a range of factors including increases in the national cost of living and the position of comparable organisations and wider healthcare and charity sector, as well as the current financial position of Pilgrims Hospices and the affordability of any increase. Every three years Pilgrims Hospices undertakes a full review of the duties, responsibilities, level of expertise and salaries of all posts across the organisation. This information is compared with the lower quartile to median salaries of comparable posts for organisations with a similar overall income in the Third sector.

RESPONSIBILITIES OF THE TRUSTEES

The trustees (who are also directors of Pilgrims Hospices in East Kent for the purposes of company law) are responsible for preparing the trustees' Annual Report (including the Strategic Report) and the group 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 charity and the group and of the incoming resources and application of resources, including the net income or expenditure of the group for the year. In preparing those financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records which disclose with reasonable

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accuracy at any time the financial position of the charity and the group and which enable them to ensure that the financial statements comply with the Companies Act 2006.

RELATED PARTIES AND RELATIONSHIPS WITH OTHER ORGANISATIONS

None of the trustees receive remuneration or other benefit from their work with the charity. Trustees are able to claim any reasonable out-of-pocket expenses, incurred in the course of conducting the charity's business.

Trustees and senior managers are required to declare any interests that they may have outside of the charity. Transactions and contractual relationships with related parties must be disclosed.

Pilgrims Hospices in East Kent has three wholly owned subsidiaries. All are registered in England, are limited by share capital and have as their registered office 56 London Road, Canterbury, Kent CT2 8JA. Two of the subsidiaries are now dormant and the third operates as a trading company, transferring its taxable profits to Pilgrims Hospices in East Kent.

Hospice Shops Limited (No. 1623758, director K Warden) is now a dormant company.

Pilgrims Hospice Lottery Limited (No. 3130167, director K Warden) is now a dormant company.

Pilgrims Hospices Trading Limited (No. 07993259, director K Warden) handles the taxable trading activities of the charity, other than the running of the charity shops, and, along with the charity, is registered for VAT under a group registration scheme.

The charity is registered with a number of regulatory bodies, including the Charity Commission, Care Quality Commission, Fundraising Regulator, Gambling Commission and Information Commissioner's Office.

The charity is a member of Hospice UK, an umbrella body which supports hospices throughout the UK.

STRATEGIC REPORT

PUBLIC BENEFIT STATEMENT

The trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The charitable purpose of Pilgrims Hospices in East Kent is stated below in 'Objects and Activities' and the trustees ensure that this purpose is carried out for the public benefit.

OBJECTS AND ACTIVITIES

"Our vision is of a community where people with a terminal illness and their family and friends are supported and empowered to live well in mind and body until the very last moment of their life".

East Kent has a population of 750,000 and each year approximately 7,500 adults will die. This can be due to a sudden incident, such as a heart attack or an accident, or it can be the outcome of a long term illness. Pilgrims is a charity that offers specialist support for people living with a terminal diagnosis or a life limiting condition. The support we offer is very varied as it is tailored to meet the needs of families who face challenges at the end of life that cannot be met by other local agencies. We have over 36 years of expertise, research and insight to offer; our aim is that people who are dying can live well for as long as is possible and experience a good death.

The majority of our care is delivered in the community, either in the patient's own home or the residence in which they live, such as a nursing home or residential care facility. If it is not possible to care for the family in their own environment we offer full inpatient support in one of our three facilities. Pilgrims is the only adult hospice in the UK that has three separate inpatient units working together as one organisation. Our patient facilities are based in Ashford, Canterbury and Thanet and we have outreach clinics in Deal, Dover,

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Faversham, Folkestone and Whitstable.

Our Mission:

- Our 'Mission' is to make a difference in the lives of individuals in east Kent who are facing the last year of life.
- We will provide open, compassionate care and expertise for you and your family; both in the community and in our in-patient units. We will continue this support for your family through their bereavement.
- We will inform, educate and enable you and your family so you can make informed choices and participate in planning your own care.
- We form strategic partnerships throughout our community; sharing our research, knowledge and expertise to enable others to play their part in supporting families where and when they need it.

Our Values

We will live our values through the application of our **C.O.D.E** in all we do:

C - Compassionate
O - Open
D - Dynamic
E - Empowering

We will be **compassionate** but **open** in all of our interactions so people feel supported and well informed. We will strive to be **dynamic** – looking for innovative ways to resolve problems and respond to need in a timely and efficient way.

We will seek to **empower** people through education and insight and support their choices.

Background:

In 2015 we published a five-year "2020 Vision" strategy, which was built on four key pillars and we are on course to achieve our aims.

- **Individual Experience:** - We put the people needing our support at the centre of all we do so they are supported and empowered to live well in mind and body until the very last moment of their life.
- **People Development:** - We are recognised as a preferred employer within east Kent; attracting, developing and retaining talent across our organisation. Our volunteer service model is recognised as best practice within the hospice universe.
- **Stakeholders:** - We are seen as leaders in the sector – driving integrated 'End of Life Care' across east Kent. We are enabling and empowering our community to support families facing the challenges of terminal illness throughout our community networks.
- **Finance and Operations:** We have robust systems to manage all financial activity and achieve our agreed budgets. We have a legally compliant, cost and resource efficient operation that provides the optimum environment for achieving our vision.

During 2020, Pilgrims developed an updated Five-Year Strategy for the period 2021-2026. This strategy included updated strategic pillars, incorporating the Hospice UK Nine Principles of Sustainability, and sets ambitious but achievable goals to develop the organisation, our services and our patient offering by 2026. The updated strategy also builds on learning from the response to COVID-19, and the work taking place in the wider healthcare sector.

The updated strategy was agreed at the March 2021 Board meeting, and a key activity for 2021-22 will be engaging with our partners and key stakeholders to share our vision and strategic priorities.

On average we have 2,500 referrals a year and around 65% of these referrals come from the Oncology teams based in our local hospitals. This gives us a bias for patients who have cancer as their primary diagnosis. A particular challenge that we are seeking to address in the future is that the majority of our patients are referred to us when they are in the last ten to twelve weeks of life. This is just too short a time to afford the family the full benefit of our services, so we are working to change this profile.

To ensure access to our services is equitable, we go out into the local healthcare environment every day. Our clinical and medical teams attend ward rounds every week in each of the east Kent hospitals – William Harvey Ashford, the Kent & Canterbury and the Queen Elizabeth the Queen Mother Hospital (QEQM) in

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Thanet. They consult across all hospital specialities and if it is felt a patient may benefit from extra input and support we will either transfer the patient to our facilities or have input into their care plans. We are seen as valued colleagues by GPs and we are regularly invited to attend their patient evaluation sessions. We offer advanced training programs for all healthcare professionals who manage patients coming to the end of their life; as well as participating in clinical research on a local and national level.

During 2020-21, up to 72 patients were admitted to our inpatient facilities each month. This figure was lower than the previous year due to visiting restrictions put in place as a result of the COVID-19 Pandemic. Around 55% of these patients just need a specific intervention such as symptom management and once their issues are resolved, they return home. Others come to spend their last days in an environment that best suits their needs and supports their family. We operate very differently to an acute hospital and by aiming for a bed occupancy of 75%, we have more chance of a bed being available for our patients in the community in case their plans to die at home suddenly change.

Out in the community at any one time we can have up to 680 people needing various levels of support. The entire operation is very fluid as we adapt plans on a daily basis depending on the needs of patients and families who have been referred to us.

Pilgrims is completely independent and in an average year the majority of our funding 73% comes directly from the generous donations of the east Kent community. We have service funding agreements with the Kent and Medway CCG, covering east Kent which contribute approximately 20%, in a normal year, towards our total running costs across the three sites.

PRINCIPAL RISKS AND UNCERTAINTIES

The trustees regularly assess the risks and uncertainties that the charity is exposed to. The approach to risk is in accordance with a Risk Management Policy. A formal risk register is in place and the trustees have adopted a risk management strategy whereby those risks are identified, the level of risk is assessed and systems for ameliorating them are put in place and regularly reviewed. The Board reviews the risk register at their quarterly meetings.

The risk register is reviewed quarterly at a meeting of the Executive Management Team and each member thereof, in turn, is responsible for managing identified risks, identifying further risks and reporting these upwards to the trustees for review. Sub-committees of the Board of trustees, whose members comprise those with the skills and knowledge specific to the risks under review, report regularly to the Board as described above.

The main risks that Pilgrims faces may be its inability to deliver its mission statement, as well as operational risks arising from workforce, financial and health and safety issues. We have also identified a new risk in relation to the general economic uncertainty, with regards to the future funding of the NHS and the continuing impact of the COVID-19 pandemic during 2021-22 and our ability to re-establish income streams relating to our Retail and Fundraising activities.

Financial risk would include the loss of income arising from a loss of reputation and the trustees also recognise that the charity relies on two material amounts of funding arising from legacies and the NHS grant. Action is being taken to encourage the continued flow of legacies and a strong relationship is maintained with the NHS to secure the continuance of the grant, and a review by Commissioners of the appropriate level of funding apportioned to those providing end of life care in line with Commissioning Frameworks.

Workforce risks include the difficulties in being able to recruit and retain suitably qualified staff and this particular risk is also faced by many parts of the NHS. Currently we have a full complement of clinical and support staff. We do however continue to face challenges in recruiting Consultant grade doctors and specialist registered nurses – this is a national problem amongst hospices providing end of life care due to the scarcity of doctors at this level in this area of specialism and the scarcity of qualified nurses.

ACHIEVEMENTS AND PERFORMANCE

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Individual experience

In the last year we have cared for 3,760 patients, including the provision of support to families and carers. The majority of this care is given in their own homes with an emphasis on living well. Our team of professionals includes physiotherapists, specialist nurses, occupational therapists, doctors, social workers, counsellors and spiritual leads who all work together with our volunteers to alleviate symptoms and to help patients keep as much independence as possible, together with offering practical support for both the patient and their family.

Our Wellbeing and Social Therapy centres provide a range of programmes covering common problems and concerns our patients and their families face. The earlier involvement patients and their families have with our services, the longer and greater their benefit. Whilst this is the case for all hospice service providers, we are working closely with professionals and our communities to change this perception.

The three inpatient units provide care for those whose needs cannot be met at home. The average stay of patients in our in-patient unit is around 9 days.

Whilst our total number of referrals has remained steady with, on average, around a 5% increase or decrease year on year, we anticipate that the demand for our services will increase. This is due to a number of factors including the increasingly ageing population, which can result in patients having multiple conditions, leading to increasing complexity in the patient caseload. With the changing pattern of illness, our services will need to adjust, but the most crucial step to ensuring a patient receives the most appropriate care remains, is involving Pilgrims as soon as possible in the patient's care plan.

As the patient's condition and needs change so does our input. For some this may only be access to our 24 hour telephone line, which is available for patients, families or professionals. For others it may be a more intensive input involving regular contact with the whole team or even admission.

The feedback so far from patients and families that have attended has been excellent; our service has had an average overall approval rating of 94.9%. While this does represent a drop from the 96.5% reported in 2019-20, this year has been exceptionally challenging, with COVID-19 resulting in restrictions to visiting, and reduced interpersonal interaction as a result of stringent infection control measures. The organisation is therefore satisfied that 94.9% represents an exceptionally positive result given the circumstances, and we are confident that we continue to meet the needs of our patients.

Pilgrims has been using I Want Great Care (IWGC) to collect service users feedback for many years and we have over 4,000 reviews online. We receive on-line reviews for many of our different teams, including our Hospice at Home team, Wellbeing teams, Physio and Occupational Therapy teams, as well as our inpatient ward reviews. These reviews provide us with a measure – in percentage terms – of the how our patients rated the service we provided to them. There is also a star rated measure, which provides a score out of 5 for the quality of service provided – 5 stars being the highest. Between January and June 2021, our service users gave us an average score of 4.81 out of 5 stars.

We ask our patients to provide feedback in their own time. This relinquishes any pressure and allows them the time to reflect on their care and provide us with an honest review. Our clinical teams have their own processes on how they request their reviews, some teams send a covering letter along with the IWGC form and some of our patients receive their form as part of an assessment pack which we give to our new patients at their first appointment. We provide details on how our service users can upload their review online themselves, we also provide a self-addressed envelope making the process as simple as possible. The anonymous reviews are returned to a central point at our Canterbury hospice and are then uploaded in-house.

We provide monthly feedback reports to all of our individual teams for presentation at our Quality and Governance Committee meetings. These reports include all comments made, as well as scores given for areas such as 'Were you treated with dignity and respect?', 'Were the staff kind and caring?' and 'Did you have confidence and trust in the staff looking after you?'. We are also set up to respond online to our

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reviews, even though they are anonymous. This shows our dedication to our feedback and that we are committed to taking action on the comments received.

Working in partnership: Stakeholders

Our hospice service covers the whole of east Kent, however, within that geographical area NHS services have changed significantly over this year, with the four commissioning groups coming together to form one Kent and Medway group. There will be one Integrated Care System covering the same area and four Integrated Care Partnerships (ICPs) covering specific areas within Kent & Medway, with an East Kent ICP covering the geography in which Pilgrims operates. Each ICP is then divided into smaller primary care networks made up of groups of GP practices. These changes are still taking place, with the new system set to formally take over from existing CCGs in 2022. Pilgrims is currently working to identify and make contact with key stakeholders in each of these new bodies, and we will work closely with each of these groups to improve patient care and access to services for the people of East Kent.

Working closely with our NHS professional colleagues is key to delivering high quality patient care. We look to our colleagues to identify a patient in need early on and refer to us as required. We work alongside the patient's primary healthcare provider but all patients remain under the care of their respective GP at all times. We provide them with a 24/7 professional helpline to offer advice and guidance. We undertake home visits or outpatient consultations and arrange admission to the inpatient unit if needed.

We continue to provide extensive training for our NHS and care home colleagues; managing patients who are coming to the end of their life requires specialist knowledge and understanding. Our education and research activities ensure we are able to stay ahead of relevant developments in this area of care. We have worked with the Universities of Kent and Cambridge, University College London and Hull and York Medical School. We participate in national studies and publish work regularly.

Pilgrims offers a number of training opportunities both for qualified doctors trying to develop their skills and medical students planning to graduate as doctors. Most importantly this helps to develop doctors with the right skills to provide high-quality palliative care to the local community.

People Development

Pilgrims aims to be recognised as a preferred employer within east Kent – attracting, developing and retaining talent across our organisation and for our volunteer services to be recognised as best-in-class within the hospice sector.

We employ 359 people in a mix of full and part time roles, including our internal flexi-bank, totalling 276 full time equivalent (FTE) staff. We recognise that supporting staff to achieve a good work life balance is essential to maintaining a happy, healthy workforce. Staffing numbers have remained broadly constant throughout 2020-21, with a small reduction in employees and FTE, predominantly as a result of vacancies carried through COVID, rather than a significant reduction to the required headcount. We also now maintain a slightly smaller pool of flexi-bank (casual) workers as we continue to prioritise internal redeployment of staff to cover gaps in schedules, as opposed to the additional cost of flexi-bank shifts. Staffing headcount however has remained stable over the two years.

Pilgrims employs a diverse workforce, with staff performing more than 70 different roles across a range of functional areas within the organisation, including:

Nursing & Care: A mix of Registered Nurses and Healthcare Assistants support our inpatient units, while teams of Palliative Specialist Nurses support our community patients. Additionally, a team of specialist Advanced Nurse Practitioners provide input across our inpatient and community services and our Hospice at Home team provides personal care.

Medical: Consultants and Specialty grade physicians provide input for both our inpatients and community patients. We also have doctors training in general practice and to work in palliative medicine.

Allied Health Professionals (AHPs): A wide range of AHP's support our patients, across our inpatient

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and community services, as well as providing programmes for our therapy centres. Our AHP teams include occupational and physiotherapists, spiritual care professionals, social workers, counsellors, complementary therapists and wellbeing practitioners.

Income Generation: In a normal year, Pilgrims has to raise around 76% of our operating costs from the community and therefore engages in a wide range of income generation activity. Our income generation teams include our community, corporate and events fundraisers, individual giving, trusts and grants, lottery, retail and marketing.

Hospice Services: Not all of our patient facing and front-line workers are clinical. Our Hospice services team includes catering and domestic teams, maintenance engineers and site managers, as well as a patient-facing administration team working across our sites.

Head Office Support Functions: Our head office provides a number of essential support functions to the wider organisation, including HR & Payroll, Finance, Information Technology and Research. Our Education and Training Team also provide a range of training to both internal and external delegates.

We run a complex business with very vulnerable people at the centre of everything we do. By working as one team we are able to work across three sites, sharing skills knowledge and resources which makes us robust and cost efficient with on average around 78% of our income spent on patient care. Currently we are the only hospice in the UK that has this infrastructure and we are able to provide a service whereby more people in east Kent, proportionally, end their life in a hospice bed than anywhere else in England.

Our National Hospice UK Staff and Volunteer Survey Results 2020 showed we have continued to increase overall levels of positivity for both staff and volunteers. A record proportion of the workforce completed the survey in 2020, with the increase in volunteer responses made in 2019 being maintained despite the majority of volunteers having been stood down during the COVID-19 pandemic. One of the most pleasing results, further to the development of the new Induction & Core Training modules for volunteers in 2019, was the 19% increase in those feeling they get the training/development they need to perform their roles, up from 65% last year, to 84% in 2020.

Reported confidence in both the Executive Management Team and the Board of Trustees continues to remain high. Staff and volunteers continue to believe in the excellent care that is provided by the organisation. They understand the aim of the organisation, their part in it, and feel proud to be part of the delivery of our services. They hugely enjoy the work they do and the people they do it with. In each of these areas, the positive responses exceeded 90%. In the 2019 survey staff reported the highest levels of pay satisfaction in the past six years and this was further improved by 15% in the 2020 survey.

We are supported by over 1,600 volunteers who contribute their time, commitment and expertise right across the charity. We are committed to continuing to look for new and innovative ways in which volunteers can support Pilgrims, including micro and virtual volunteering. During the year, the opportunity was taken to review our Reception Volunteer role to ensure it meets the needs of patients and visitors, taking into account the impact of COVID-19 and the need to effectively manage footfall on the sites. Working in tandem, we have also developed a brand new Ward Support volunteer role which will work as part of the multi-disciplinary team in the Inpatient Units to provide a range of practical and wellbeing support to patients and visitors. The objective has also been to ensure that we provide fulfilling and meaningful volunteer roles which people will feel make a positive difference.

We can only provide the highest quality healthcare to patients and their families if we recruit and retain the highest calibre staff and if all these staff are treated with respect and feel valued. Pilgrims has developed our CODE (Compassionate, Open, Dynamic, Empowered) which is a shared set of values and behaviours which characterise all our dealings with each other, our patients and families. The response of our staff and volunteer to the COVID-19 pandemic, which saw Pilgrims step up to support a system-wide response to the pandemic, epitomised the values of our CODE.

We have policies and procedures supporting equality and diversity that help us to ensure rights and

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responsibilities are applied equitably and we have processes that allow us to address problems fairly and sensitively when they arise. All our data is collected in line with Data Protection Regulations and our Board of Trustees is provided with an annual update in relation to the diversity of our workforce.

Our gender pay reports are published in line with the Equality Act 2010, and can be viewed on our website at: <https://www.pilgrimshospices.org/about-us/work-with-us/>.

Pilgrims is an equal opportunities employer and does not tolerate any form of discrimination, including on grounds of disability. We have robust processes in place to ensure individuals with disabilities are not subject to any disadvantage either during the recruitment process or during employment. Pilgrims seeks to support disabled employees with reasonable adjustments where practicable, and our Occupational Health service provides advice and support for employees with long-term conditions. Relevant internal policies include our Equality and Diversity Policy, and our Flexible Working Policy.

Engagement with staff and volunteers

Pilgrims seeks to engage with our entire workforce, including paid staff and volunteers, incorporating their feedback and suggestions into the development of the organisation. With three hospice sites, as well as 32 retail locations, ensuring all staff and volunteers are engaged and have the opportunity to be heard is a challenge to which Pilgrims devotes significant effort.

A number of mechanisms are in place to engage with staff and volunteers, including an annual Staff and Volunteer Survey operated by Birdsong Charity Consulting. This survey asks staff and volunteers about their views on a range of topics, provides a comparison with the wider hospice sector, and also provides an overview of how “engaged” respondents are compared to the national average. The results of this survey are summarised and shared with the Board and wider organisation.

Pilgrims has a Local Management Team (LMT) in place at each hospice, which considers Claims, Concerns and Issues for their site, and which are in turn escalated to the Senior and Executive Management Teams. LMTs are also the primary method of cascading information across the organisation. In addition, the HR department circulates a workforce newsletter “People Matter” six times each year to update staff and volunteers with good news stories and organisational updates. A regular volunteer newsletter is also produced several times per year, with updates from teams across the organisation.

The organisation has effective policies and procedures for raising and escalating concerns, including the Grievance and Whistleblowing policies.

The Board of Trustees is assured and updated regarding engagement activity via Board Reports prepared by the organisation’s Executive Management Team. Further Trustees are represented on various committees which oversee aspects of engagement activity, including:

- The Remuneration & Workforce Committee, which considers pay, benefits and employee health & wellbeing.
- The Health & Safety Committee which is responsible for ensuring that working environments are safe and appropriate for staff and volunteers.
- The Quality and Governance Committee which ensures staff have the support needed to work safely and effectively.
- The Information Governance Group which ensures staff and volunteer data is protected and used appropriately.
- The Education & Training Group which ensures staff and volunteers have the necessary training and development to fulfil their potential.

The Board of Trustees also engage in “Board Walks”, which see them tour Pilgrims facilities, speak with staff, and provides accessibility and visibility for the workforce. This activity was however suspended during COVID-19 due to requirements to minimise footfall on sites.

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During COVID-19 a number of additional steps were taken to engage with staff and volunteers, including all-site Claims, Concerns and Issues sessions run virtually, and regular all-users communications from the Chief Executive providing updates regarding the organisation's ongoing response to the pandemic.

Operations

We continue to review all our physical facilities on a regular basis to ensure that they remain well maintained and meet all health and safety legislation.

We are required to monitor compliance against core patient safety key performance indicators (KPIs) set out by the Kent and Medway Clinical Commissioning Group (CCG), alongside evidencing the 5 Key Lines of Enquiry set out by the Care Quality Commission (CQC). Executive team members meet with the CCG and CQC on a quarterly basis to give assurance regarding this and as an organisation we continue to meet all of the patient safety KPIs, with no concerns raised in regard with our performance by the CQC. Minutes of the monthly Quality and Governance board are also submitted to these external agencies.

During 2020, current statutory and mandatory training requirements were reviewed, and the decision taken to more closely align Pilgrims with the NHS Core Skills Training Framework, which will now see the majority of training valid for a period of three years, significantly reducing the training burden on staff. As part of this change, all training materials were reviewed and updated to ensure they continue to provide a comprehensive overview of individuals' roles and responsibilities.

Historically we have taken part in PLACE (patient led assessment of the care environment) to benchmark our facilities and services against other hospices – this is an assessment where patients and carers join an internal team to assess our environment in terms of building appearance and maintenance, cleanliness, food, privacy dignity and well-being, dementia and disability. Due to COVID-19, PLACE did not happen in 2020 but we are looking to take part again as soon as this option is available. Prior to COVID-19, we had taken part in PLACE for the previous 4 years and have continued to see a year on year improvement in our results.

We continue to strive for ways to improve our operational safety and efficiency. Prior to the COVID-19 pandemic, we were looking at a new and improved incident reporting system. This would also give us access to a number of other modules that would help us manage our resources more effectively. The incident reporting module has now been fully deployed and we are looking at the other modules that are available and prioritising the roll out of these in line with need and resource impact.

We also continue to focus on our buildings and improving the environment for our patients and their loved ones. Despite COVID-19, we have completed improvement projects across the sites, through the generosity of a number of Trusts. The key ones were on our Ashford site, where we have erected a pergola in our garden area, with additional seating for patients and their families to get the best use of the fantastic garden spaces.

As part of our wider Estates strategy we have completed a renovation of a cottage adjoining our Dymchurch Book shop. This has been converted from shop storage space into a residential property and is now occupied. Further conversions opportunities are planned to ensure that we maximise the contribution from our estate.

Streamlined Energy and Carbon Reporting.

Overview:

Pilgrims uses energy in the form of gas, electricity and fuel for vehicles. The figures reflect UK energy usage. Transport data is captured from two datasets; fuel cards which detail the quantity of fuel purchased in litres, and mileage claims in respect of employees using personal vehicles for business purposes.

2020-21 is the second year that we have collected this data and the below table provides a comparison to the 2019-20 data. This comparison shows a moderate drop in energy usage for 2020-21, however, this reduction

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is not representative on an ongoing trend of reduced energy use. Rather, this reduction is largely attributable to the impact of COVID-19, which saw our shops closed, much of our collection and delivery activity curtailed, and a significant reduction in face-to-face community activity for large parts of the year.

While some opportunities do exist to reduce energy use and drive energy efficiency, these are limited. Specifically, the sites which would benefit most from investment in energy are sites where such investment is not commercially viable, including or shops which we occupy on short-term leases and where we are not responsible for the fabric of the building. We also anticipate that developments across the organisation may increase overall energy use from 2021-22 onwards, including an increase in community-based clinical activity, and continued expansion of our retail logistics division.

The organisation achieved Phase Two ESOS compliance in December 2019 and has taken significant steps towards reducing energy use. These include a programme to upgrade to LED lighting where feasible, the appointment of green champions across all sites, the installation of more energy efficient heating, and an ongoing effort to reduce unnecessary travel through the use of virtual technologies for meetings and even patient contacts. While progress on some activity was restricted by COVID-19, progress in areas such as remote working and virtual technologies have seen significant progress.

Additional measures are planned, including improved insulation, further training for staff and ensuring energy efficiency is a considered when procuring new devices.

Our energy usage in 2020-21 and comparison to 2019-20:

Measure	2019-20	2020-21	% Change
Gas Usage	363,169.59 kgCO₂e	309,268.15kgCO₂e	-15%
Gas use intensity	236.89 kwh/m²/y	201.60 kwh/m²/y	-15%
	43.69 kgCO₂e/ m²/y	37.20kgCO₂e/ m²/y	-15%
Electricity usage:	236,997.89 kgCO₂e	174,212.13 kgCO₂e	-26%
Electricity use intensity	91.30 kwh/m²/y	73.52 kwh/m²/y	-26%
	23.32 kgCO₂e/ m²/y	17.14 kgCO₂e/ m²/y	-26%
Travel Data	124,743.72 kgCO₂e	59445.07 kgCO₂e	-53%

Notes on Preparation:

GHG emissions have been calculated using the 2020 UK DEFRA condensed carbon conversion factors dataset and emissions are presented in CO₂e (Carbon Dioxide Equivalent). For buildings, an energy intensity metric of kWh per m² has been identified as the most appropriate measure, using data from annual energy bills. When calculating intensity ratios for gas, only premises with an installed gas supply were included when calculating the total square metres used.

The above reported figures do not include usage for premises where the organisation has service agreements and/or is not charged for energy usage as a tenant due to a lack of access to this data. For electricity, full year CO₂e figures for each individual supply were not available. Pilgrims Hospices therefore used the 2020 average energy supplied in the UK according to the 2020 UK DEFRA condensed carbon conversion factors dataset.

We do not keep records regarding the size or type of fuel used in employees' personal vehicles. CO₂e has therefore been calculated for claimed mileage based on the 2020 UK DEFRA condensed carbon conversion factors dataset, using the "average" personal vehicle and "unknown" fuel types.

Business relationships with our suppliers

Having good business relationships helps to ensure the smooth running of the charity and we are committed to working to a fair working practice with our suppliers, whilst delivering best value for the beneficiaries of the charity. We regularly review the contracts with our key suppliers and their performance in delivering the

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goods and services we have purchased. We agree payment terms with all our business partners and implement service level agreements where these are appropriate. Our Retail staff and volunteers are provided with training in customer service, handling complaints, and how to deal with difficult situations to assist them in providing the best service possible to our customers. We provide a refund on all goods returned within 14 days in the same condition as when sold, no matter what the reason for return. We recognise that sometimes things go wrong and Pilgrims has established a complaints policy for use by any individual about any aspects of the charity's services or work (for example staff, volunteers, patients, carers or members of the public). The policy is governed by a process which ensures all complaints are reviewed and addressed appropriately.

Income generation and fundraising

The Charities (Protection and Social Investment) Act 2016 requires Pilgrims to provide extra information in its annual report about its fundraising activities. In particular, any agreements with professional fundraisers or commercial participators as well as providing information on compliance with voluntary fundraising regulations.

We do not use consultant fundraisers to solicit gifts from prospects and donors. All gifts are solicited by Pilgrims Hospices Fundraisers who follow guidelines stipulated by the Charity Commission and Fundraising Regulator. We are also mindful of the General Data Protection Regulations (GDPR) and have a Privacy Policy and a named Data Protection Officer. Pilgrims uses a Customer Relationship Management (CRM) system to record all donations to ensure appropriate levels of communication are maintained. Fundraising activities are monitored by a team of managers, the Director of Income Generation and Marketing, the Chief Executive Officer, The Income Generation Committee and the Board of Trustees.

We are committed to following the highest standards and to ensuring a quality supporter experience. We have detailed procedures in place that in many cases go beyond the minimum requirements for the sector and we regularly monitor ourselves against the external hospice environment.

Some of our fundraising activity is conducted on our behalf by carefully selected fundraising agencies. We occasionally work with agencies to telephone existing supporters to talk to them about their donation and, on some occasions, to ask for a further donation. We work very closely with our agencies to make sure they represent our work and our organisation to the highest standards.

Pilgrims runs its own lottery. The Lottery is fully licensed and regulated by the Gambling Commission, who as part of the licensing conditions inspect and review Pilgrims Hospices Lottery's processes and policies to ensure compliance.

The Lottery Team work with an external agency who supply canvassers and are remunerated by the external agency, they are paid a fixed fee for each new member recruited. The canvassing activity, both face to face and over the telephone, is licenced. The canvassing agencies Pilgrims employs work within all required guidelines and codes of practice, (Gambling Commission LCCP, Fundraising Regulator, EU GDPR ISO 27001) and all other legal requirements relating to data protection, including relevant guidance from the Information Commissioners Office. They operate in line with the Protection and Social investments Act 2016. All canvassing agency staff are fully trained and agree and sign a Canvassers Charter. Each canvasser is met with and inducted by the Lottery team, this includes an overview of our services, expectations, requirements and codes of conduct. This meeting also facilitates the opportunity to ensure all relevant paperwork is signed and in place.

Pilgrims works within its local community to generate income and this includes working with volunteers who work closely with the Income Generation Team. Volunteers receive appropriate training regarding their roles, their responsibilities and are supervised by members of the Income Generation team. All staff and volunteers adhere to Pilgrims Hospices code of conduct which are detailed in Pilgrims Hospices CODE. We regularly meet with our volunteers both individually and in group settings to set priorities and manage their activities.

Pilgrims operates a risk register to manage risks around all of our functions, including Income Generation

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activities undertaken by the Fundraising, Lottery and Retail Teams. We have a comprehensive set of policies and procedures in place to ensure compliance with best practice and legislation. All comments and complaints are promptly responded to and investigated to ensure that lessons are learned for organisational improvement. In 2020-21 our Income Generation Team, comprising: Fundraising, Lottery, Retail and Marketing, received two complaints which were all acknowledged within 48 hours of receiving the complaint and resolved within the stated timescales as detailed in our Complaints Policy.

Pilgrims protects vulnerable people and other members of the public from unreasonable intrusion, in that it does not cold call, undertake street fundraising or undertake cold direct marketing campaigns. We do not undertake wealth screening and our CRM system allows us to monitor approaches and ensures no one experiences multiple approaches or solicitations which might place pressure on them to give money.

Our income generation activities from donations and campaigns have decreased significantly at £1,931,000 (2020: £2,673,000) representing a decrease of £742,000. This is due to the impact of COVID-19 which prevented us from being able to interact with our supporters in the normal way. The impact of COVID-19 had further a further detrimental effect on our Community Fundraising activities, which saw income drop from £1,147,000 to £579,000 a reduction of £568,000. This is largely due to the cancellation of our events during the year due to COVID-19 and these included our two flagship events, The Pilgrims Way Challenge and our Cycle Challenge which were budgeted to generate £200,000. Our Retail Shops have also seen a reduction of income from £3.4 million to £1.3 million and this is because following Government Guidance, our shops remained closed for much of the year. More detail about this is included in the separate section in the Trustees' Report covering the impact of the pandemic on Pilgrims.

Legacies have performed better than expected at £1.7 million compared to £1.3 million in the previous year. This is due to the previous backlogs at Her Majesty's Courts and Tribunal Service (HMCTS), as well as more recently at HMRC and these appear to be reducing. It still remains to be seen whether legacy income will recover to pre 2019-20 levels.

The Pilgrims lottery remains strong, with a turnover in excess of £1.1 million, producing a net profit of £727,000 an increase on the previous year of £103,000. This was because no new lottery member canvassing activity took place due to COVID-19 pandemic. As a result player numbers have decreased and currently stand at 19,000 compared to 22,000 active members the previous year. Taken together and despite the pandemic performance in the year indicated that underlying income generation remained robust and many of our supporters continued to donate despite the uncertain economic climate.

Trust income was not as strong as the previous year raising £68,000 compared to £230,000 and this was this was mainly as a result of not having a Trust Officer in post for the year and also in the previous year we received a significant gift of £90,000 from one Trust.

PILGRIMS RESPONSE TO THE CORONAVIRUS PANDEMIC

The outbreak of the COVID-19 pandemic in the UK in the spring of 2020 had a substantial impact on Pilgrims. The sections below outline the effect the pandemic had on the hospices, how the hospices responded to the effects of the pandemic and the plans we have developed to manage in the aftermath.

Governance

From early March 2020 onwards, the Executive Management Team (EMT) held regular conference calls with key staff across the three sites to discuss the unfolding pandemic and monitor COVID-19 related activity in the clinical and non-clinical teams, including staff sickness rates, in order to co-ordinate Pilgrims' response to the changing circumstances. These were stepped up to daily Zoom meetings, as the restrictions on social distancing were increased and the situation with regard to clinical guidance accelerated. In order to maintain communication and engagement with the Board during a fluid and fast moving situation, weekly briefing meetings with trustees were held via Zoom, detailing the clinical picture, the EMT's response to the unfolding situation from both a clinical and non-clinical perspective, as well as the financial picture. The underlying programme of quarterly Board and Board sub-committee meetings continued, again facilitated via Zoom/ MS Teams. This continued from late March through to late June, when it was clear that the response to the

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pandemic could be eased slightly and governance structures returned to normal reporting time frames, albeit still facilitated virtually. The executive team continued to meet three times a week to monitor the situation.

Generally it was considered that communication had been effective during the period and that the use of technology had been transformational, especially with regard to staff home working and virtual communication with the Board.

Pilgrims staff

As Pilgrims is a provider of healthcare services, our staff were automatically designated as key workers, however, early guidance was clear that individuals who were able to work from home should do so, and that organisations should take all reasonable steps to facilitate home working, reduce face-to-face contact and to cease non-essential operations. We acted swiftly to protect our staff, volunteers and patients, and by 1 April 2020 had put in place measures for more than 80 staff to work from home, as well as designating 52 staff (12% of the workforce) as furloughed workers at various stages throughout the pandemic. Volunteers were also stepped down from the inpatient sites and retail stores in line with Government guidance on non-essential store closures. Less than 5% of 2020 survey respondents did not feel Pilgrims had well managed the changes and challenges of the COVID-19 pandemic. As vaccinations became available, we proactively worked with local providers to ensure as many of our staff were vaccinated as a priority and by the end of March 77% of our patient facing staff had received at least their first dose.

Despite challenging conditions, we made no redundancies during the year. Where staff were unable to perform their usual roles due to COVID-19, these individuals were placed on furlough, or redeployed internally in order to support the organisation's core activity.

Inpatients

The inpatient units across all three sites continued to work as normal and it was agreed early in the period that the inpatient units should accept COVID-19 cases, with preparations being made for this eventuality. At the beginning of the pandemic crisis, Pilgrims was immediately requested by the local CCG to open up an additional four beds at each site to support the expected demand on End of Life beds. The Community Nurses were retrained to support the inpatient setting as required as were the Physiotherapists, Occupational Therapists and Wellbeing Practitioners. Some of our recently retired nurses and our Flexi Nurses were asked if they would work additional shifts.

The nursing staff initially found the additional PPE challenging not only physically but psychologically with this hindering communication with patients.

Community Nursing

The Community Nursing team quickly moved to offer telephone or video consultations and attended home visits only when necessary.

Allied Healthcare Professionals

The Physiotherapy and Occupational Therapy Teams continued with their work on the inpatient unit. The teams moved to telephone and video consultations and provided one-to-one support for things such as breathlessness and fatigue management, services that used to be delivered in groups. The teams then utilised the Marketing Team to video the many therapy centre programmes enabling patients to view them.

Wellbeing Practitioners

Recognising the need early to reduce the footfall into our hospice sites and to protect our vulnerable day service patients, we took the decision to close the Pilgrims Therapy Centres. The Wellbeing Practitioners introduced wellbeing telephone service support to patients and families. 50% of the Wellbeing Practitioners were redeployed to the inpatient units to support the provision of the additional beds in support of the NHS.

Counselling

As the COVID-19 crisis began to unfold, many of our counsellors clients were already making the decision themselves not to come into the hospice for face to face counselling. With the implementation of social distancing measures, we recognised the importance of being able to provide ongoing counselling support,

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especially during these times. All counsellors, including volunteer counsellors and Stepping Stones bereavement support volunteers, moved to providing telephone counselling support to patients, carers and bereaved family members. Where necessary, the counsellors still saw patients on the Inpatient Unit.

Social Work Team

Our social work team also moved to home working to support patients and families with psychological and practical needs and continue to coordinate services to support discharges and ongoing care needs in the community.

Medical team

Two recently retired doctors came back to work and enabled the medical team to put in place the following:

- Seven day service to east Kent hospitals providing a senior doctor each day. This was and remains key in ensuring better end of life care and symptom control at what was an extremely difficult time.
- Seven day service to the community, providing a senior doctor each day for any urgent assessments or input required.
- Staffing for the additional inpatient beds.
- The development of symptom control guidance for patients dying from COVID-19.
- Data collection on the way people die from COVID-19 to update and improve care.
- Established a senior clinician helpline to provide and obtain expert medical advice promptly, bypassing usual hospice numbers for urgent situations.
- Maintaining an up to date knowledge of the research and clinical developments around COVID-19.

Pharmacy team

Our specialist palliative care pharmacist worked closely with the hospital and community services to ensure we were up to date with the changes in medication legislation, that medication supplies were available and shortages were highlighted so we could adjust practice. Symptom control and medication advice was disseminated in the community and hospital. We developed alternative medications that could be used if our usual approaches were unavailable including an emergency box available if needed. The relevant documentation for this was also put in place.

Hospice Services

The Hospice Services team faced some real challenges in how they responded to the pandemic. It was vital to keep patients fed and the sites clean as well as making sure that key H&S activities and sites were well maintained.

There was creative use of volunteers to supplement the existing teams. The teams also had to adapt to new ways of working that were presented during the pandemic and they rose to the challenge to support the patients, their families and the clinical team.

Research team

We have continued to look at research relevant to palliative care. We contributed to the Kings College London CovPall Study Survey and shared a number of staff and family surveys as they have come through. Unfortunately our existing studies were put on hold during the pandemic but our research nurse was able to move into the acute hospital to help collect data for the international COVID-19 studies being conducted there.

The research team also undertook a literature survey to ensure we were supporting the emotional and psychological needs of our staff.

Stepping Stones Bereavement Service

Pilgrims has been offering volunteer led bereavement support groups to hospice and non-hospice families for the past year, but had to suspend these due to the COVID-19 crisis. However, we recognised that during the crisis, many more people would experience bereavement, whether that bereavement was as a direct result of COVID-19 or some other cause – or perhaps they were bereaved before the pandemic began and were still grieving, or had limited access to usual support networks, not able to celebrate a loved-one's life due to restrictions around funerals. All these were further compounded by the constant stream of upsetting

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and distressing news and increased worry and anxiety.

The Stepping Stones bereavement service moved to a telephone support service. It continues to be available to anyone in east Kent who is grieving – we offer a 30 minute bereavement support call at an agreed time and a further 30 minute follow up call if required.

Additional Support to NHS and Social Care

Four additional beds per site were put in place along with the necessary staffing and we set up a telephone advice line for Health and Social Care staff for discussing and completing Treatment Escalation Plans with patients in hospital and in the community. We produced and delivered a number of training courses to health and social care staff, including in the use of Treatment Escalation Plans and Verification of Expected Death. Pilgrims provided training and support to care homes across east Kent, including face to face PPE and Infection Control Training, hands on care and support as well as a bereavement and support package for care home staff.

Personal protective equipment (PPE)

The supply of PPE was challenging at the start of the pandemic but was swiftly resolved and has not been an issue since opening up a consistent and reliable pipeline of the key items of PPE that we needed. This enabled us to keep people safe at all times.

Visitors

One of the toughest guidelines that we had to adhere to during the pandemic was to restrict visiting. We know how difficult this was for the loved ones of our patients not to be able to see them. We made sure that technology was available to continue face to face contact to happen virtually. We reviewed our approach regularly and took every opportunity we could to review our approach alongside national guidance, whilst also keeping people safe.

Looking after our People and Wellbeing During COVID-19

A key priority for Pilgrims during the COVID-19 pandemic was to support the wellbeing of our staff and volunteers and ensure safe working practices. We introduced a variety of health and wellbeing resources to support staff both in their personal life and whilst at work. Some of these included:

- A practical information pack for working families
- A Health and Wellbeing tool kit
- Staff telephone helplines
- Resources for managing anxiety during the pandemic
- Guidance for effective homeworking
- Making additional food and drink available for our staff

We will continue to develop our health and wellbeing offering for staff as part of our wider Health and Wellbeing Strategy.

Through the COVID-19 pandemic, it was identified that individuals from Black and Minority Ethnic (BAME) backgrounds were disproportionately impacted by the virus. While the reason for this disparity is not clearly understood at present, we put in place a number of additional measures to protect staff and volunteers identified as vulnerable due to their ethnicity. These measures have included amended duties where feasible, and additional PPE to provide a greater level of protection for patient-facing staff.

Head Office

Pilgrims has been able to sustain the majority of head office functions, including Finance, HR, ICT, and Marketing at or close to full capacity throughout the COVID-19 pandemic. The vast majority of head office workers have continued to work from home, with a skeleton staff working on-site in Plender House, our dedicated administration building. Our Education and Training function has had to pivot from providing face-to-face training to providing a programme or remote training to external healthcare providers. The Conference Centre had to close for the majority of the year.

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Volunteer engagement during COVID-19

In early April 2020 the difficult decision was made to suspend all of our volunteer roles at hospice sites and in our shops. Our volunteers are integral to Pilgrims, and it has therefore been a priority to ensure that we did all we reasonably could to maintain communications and engagement with them during the COVID-19 pandemic. From the outset, the volunteers have received the Chief Executive Officer's (CEO's) weekly and, once lockdown was starting to ease, bi-weekly workforce updates.

Weekly messages have also been sent to the volunteers by the Volunteer Services Manager, often accompanying the CEO's message. They have also been sent links to appropriate health and wellbeing websites and made aware of the contact details of local and national agencies which could provide them with support if needed during the outbreak. All the line managers of volunteers have also been keeping in regular contact with their own teams of volunteers, particularly those known to live alone, just to have a chat and check-up on their welfare.

In order to maintain some semblance of normality, an adapted version of the Spring edition of the newsletter for volunteers was also produced and sent to volunteers in order to keep them up to date with some broader, non-COVID-19 related organisational topics. The volunteers have also been a core part of the "be a stay at home hero" and Matching Hearts campaigns, both of which many of the volunteers have enthusiastically supported. We also recognised the contribution of our volunteers and the difference they make during national Volunteers' Week in early June, under the theme of "We Miss You" and emphasised how much we look forward to seeing them back, with postings on our website and on social media.

As we have started to develop our Restore Plans, we felt it was important to garner the opinions of our volunteers about returning to volunteering, including asking for their suggestions about mitigations we should consider which would help them to feel safe and secure in their volunteer roles. More than 400 volunteers responded to the survey and the data gathered will be used to shape and inform our return to volunteering plans. Feedback from our volunteers about the level of communication with them during the COVID-19 outbreak has been overwhelmingly positive.

Income generation during the pandemic

The immediate impact that COVID-19 had on Income Generation was that Pilgrims closed all of its shops on Tuesday 24 March 2020. We furloughed 41 of our 47 strong Retail Team. Six members of the team remained in post to run our eBay office, ensure that the Retail estate remained in good order and to undertake planned maintenance. As we have progressed through 2020 we have had to cancel our events.

We reopened 4 of its 32 shops and its two Warehouses on Monday 29 June 2020. Considerable work went into ensuring that our volunteers, staff and customers were able to work and shop in safe environments. By 31 October 2020, 30 of our 31 shops were open; the exception was due to space restrictions within one shop. On Saturday the 31 October 2020 the Government announced a second lock down and our shops were closed on 5 November 2020 and once again all but six staff were furloughed. Our shops remained closed for the remainder of the financial year and only reopened in this financial year on Monday 12 April.

The Pilgrims Lottery has fared well during the pandemic and this is partly because the Lottery Team were not paying recruitment costs for new members. However, player numbers have started to drop off, because many of our committed players were elderly and some were facing financial hardship. We were also not able to visit our cash players at home to collect their membership fees; wherever possible the team contacted members by phone to take payments. As a result of their excellent customer care that the team gave to the Lottery Members, they have been able to maintain their income.

Our Individual Giving team reacted quickly when the COVID-19 lockdown was announced at the end of March 2020; they launched our 'Still here; still caring' appeal, which raised significant funds for our organisation. In June we ran our annual Sunflowers Memories Appeal; launching the England's first hospice remembrance film to compliment the appeal. It was our most successful Sunflower Memories appeal to date. The same approach was also taken for our December 2020 Trees of Love campaign and it has been encouraging to see how many supporters and volunteers positively engaged with us during the making of

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both films.

Our Community and Events Team have been severely affected by the COVID-19 lockdown. We closed our on-site hospice Community Fundraising Offices, furloughed our Community Fundraising Officers who comprise 44% of the team and cancelled our summer events. COVID-19 has also impacted on our supporters' ability to run their own events on behalf of Pilgrims. One positive outcome is that the Events Team have been able to focus their activities on creating and launching digital fundraising events to generate income and also to keep our supporters engaged. During August, our Community Fundraising Officers returned to work, on a phased basis, in order to support their planned Christmas community and festive digital fundraising activities. When the second lock down was announced at the end of October, the Community Fundraising Managers were part furloughed and Community Fundraising Officers were fully furloughed until April 2021, when they returned to work on a phased basis.

In preparation for 2021, Community Fundraising & Events have undertaken a considerable amount of work to ensure that our key events are COVID-19-safe and subject to the Government restrictions and guidance, a full calendar of events is planned throughout 2021.

Financial Sustainability during the COVID-19 pandemic

The Board and the Executive Management Team moved swiftly to stabilise the charity's cash position, by immediately applying for several of the Government's financial support schemes, including the Coronavirus Job Retention Scheme, the Retail Grant Scheme and the business rates holiday. An emergency appeal was announced and was successful in securing £150,000 in donations. Other fundraising programmes were devised during the year using virtual platforms. Applications were made to certain trusts and foundations offering grants for hospices and other healthcare charities. Activities that were not essential in delivering patient care were curtailed where possible. The proposed capital project for the refurbishment of the Thanet hospice was postponed indefinitely to reduce expenditure and instead a much more modest programme of piecemeal refurbishments was initiated. The investment portfolio had suffered a substantial fall in value during February and March 2020, caused by increasing investor anxiety as the pandemic unfolded. Trustees were therefore determined that recourse to the investment portfolios to maintain cash flow should be delayed as long as possible so as not to lock in the losses. Fortunately the portfolios rebounded strongly as the year progressed, especially with the successful development of viable vaccines and the commencement of the vaccination programmes.

The Retail team devised an action plan for gradual shop opening over the summer of 2020, so that by 1 September 2020, all but one of the shops was open and COVID-19 secure. The shops had to close again when Kent entered Tier 4 restrictions in December and they remained closed for the rest of the financial year when the country went into the second lockdown. Up until that point, retail trading had been strong, despite the negative impact that COVID-19 had on foot fall in the high street and restrictions placed on premises by social distancing requirements.

The 2020-21 budget was reviewed and revised at several points during the year, to take account of the impact of COVID-19 and the ensuing lockdowns and Tier restrictions which were introduced to manage the spread of the virus. A monthly cash flow forecast was calculated on the back of the different budget scenarios and reviewed on a regular basis by the Finance Committee, following updates with actual cash movements over the months. Projections on the effect of the different scenarios on Pilgrims' reserves were prepared for 2020-21 and 2021-22, which again were reviewed by the Finance Committee. The Finance team maintained a daily bank balance through the period to ensure working capital was maintained at an adequate level on a day-to-day basis.

Negotiations with the local CCG secured funding for the provision of additional beds across the three hospice sites, during the first three months of the new financial year, in order to support the local NHS hospitals manage the pressures caused by the pandemic during that period.

In response to the impact of the lockdown on the hospice sector's ability to raise income, Hospice UK secured funding from NHS England, on behalf of the sector, in order that hospices could maintain their patient capacity so as to provide support to the NHS during the pandemic. The grant funding was initially for

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FOR THE YEAR ENDED 31 March 2021

three months from April to June, but further funding was secured from November 2020 for the remainder of the financial year. In order to secure the funding, we were required to report our daily capacity to NHSE and provide Hospice UK with a monthly financial return.

Overall the actions taken enabled Pilgrims to maintain a stable, positive cash position during the year. This provided assurance to the Board that Pilgrims had adequate liquid reserves to finance its activities for the year and into 2021-22. In the light of this, the trustees were confident in preparing the 2020-21 accounts on a going concern basis.

It was nonetheless clear to the Board and Executive Management team that the current funding model could not be relied upon to provide sustainable funding in the long term. The level of statutory income provided by the NHS did not represent an adequate contribution compared to the level of the service it received in exchange. It was also clear that we would need to develop additional services for which we could seek funding from the K&M CCG. To this end, a new clinical strategy was devised that would look to raise the level of statutory funding for the existing services provided by Pilgrims, as well as several new services that we would look to secure funding for from the K&M CCG. This strategy is outlined in the section on Plans for the Future below.

PLANS FOR FUTURE PERIODS

What next - Our future clinical strategy:

We constantly strive to ensure our services meet the needs of the local adult population facing the challenges of a life limiting illness. We are on track with our long term plan and in January 2020 updated our long term plan to take account of our aspirations to utilise our expert skills and experience in end of life care to work beyond the hospice walls and make our services more accessible to those that need them. We have taken a "societal change" approach to revising our business strategy that is based around four key areas of work "THINK, TALK, ACT, Be".

We know that wanting to feel "safe" and "in control" is particularly important to people in their final year of life. They want to know what will happen to them and their loved ones and they want to be able to make plans so that whatever happens their wishes will be respected. However, these conversations are difficult to have and clear care plans are not put in place. We will support, train and facilitate workshops with GP's and other healthcare professionals so that they can have the right conversations and engage the right support at the right time for their patients.

We will work with GP's to identify patients proactively who may benefit from an opportunity to join us in a non-clinical setting and whereby we can signpost what help and services may be available to them and what they need to think about so that they can start planning.

Our TALK phase is our Therapy Centre activity which offers a wide range of services to people who may need access to therapy services such as breathlessness clinics, and physiotherapy services. Our ACT phase will deliver the hands-on intensive support that our patients will require in their last 10 to 12 weeks of life. Finally, our Be phase will ensure our well established Stepping Stones bereavement services will be accessible to those across east Kent. Our expert volunteers are critical to delivering this service to ensure it remains accessible and sustainable.

The COVID-19 pandemic has truly shone a light on the need for people to talk about death and dying, to have clear plans in place and to access care that can help people live well until the very last moment of their life. We have worked tirelessly over recent months sharing our expertise with our colleagues across health and social care and this experience has given traction to the implementation of our long term strategy. Our COVID-19 Restore, Recover and Rebuild plan takes account of our strategic aspirations and our recent experience to transform services so that as many people as possible achieve the care and death they would wish for at the end of their life.

Restore, Recover, Rebuild plan

In response to the significant impact of COVID-19, we have instituted our organisation Restore, Recover,

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 March 2021

Rebuild plan, which provided a roadmap as we reviewed our operations and looked to restore our services, establishing our "New Normal" following COVID-19.

The Restore, Recover, Rebuild plan is categorised by functional sections. The entire Executive Management Team have input into the plan, identifying key functional milestones for their respective areas.

The plan was initially divided into four key stages:

Stage One:-	June – August 2020
Stage Two:-	September – December 2020
Stage Three:-	January – March 2021
Stage Four:-	April 2021 onwards

Upon the publication of the Government's "Roadmap out of lockdown", published in February 2021, Stage Four of the Restore Plan was split into several phases, aligned to the Government's milestones for lifting various restrictions. These were:

Step One –	8 th and 29 th March 2021
Step Two –	12 th April 2021
Step Three –	17 th May 2021
Step Four –	21 st June 2021

As at 1st April 2021 the full plan included 246 actions across four stages, of which 167 (68%) had been completed. The restore plan generated high levels of activity, particularly during periods where government guidance changed rapidly. At the height of the pandemic, the organisation was completing up to eight Restore Plan activities per week. The majority of outstanding actions are dependent on further lifting of restrictions and the subsequent restoration of activities.

While it is currently anticipated that the Government's roadmap will remove the majority of restrictions from the general population, there is a possibility that specific restrictions relating to the operation of healthcare organisations will remain in place for an additional period of time.

Timescales remain flexible and are expected to develop over time as the national picture becomes clearer with the potential for additional phases to be developed.

Thanet Hospice Refurbishment

Prior to the pandemic, we were planning a large scale refurbishment of our Thanet hospice. This has now been temporarily put on hold but we have completed a "mini" refresh of the site in 2021 to improve the environment for patients, visitors, staff and volunteers.

We know that in the long term, the refurbishment work is still important as the building is nearly 30 years old and has the layout and features of a typical NHS facility. Since its opening, we have cared for thousands of patients and families who have had to face the challenges of a life limiting illness. The demand for our services is continuing to grow and the type of care we need to provide has continued to change, including the recent lessons that we are learning from the COVID-19 pandemic. There was a time when hospice care was something that came at the very end of life, 'a safe place for the last days'. We now have families who come to us in the last year of life and we work with them to ensure they are empowered to live life as fully as possible, make many memories and have some control over how their last days will be. To do this effectively, we need a facility that helps and supports what we are aiming to achieve. We want to create a space that is homely, with lots of natural light to make it feel welcoming and comfortable.

We have developed our plans and ideas, but the full scope of the future refurbishment will depend on our ability to raise funds. As always, we will need the local community to support us in delivering this exciting and important project.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 March 2021

Canterbury New Build

As previously reported, Pilgrims has been offered land in Thanington by the Tory Family Foundation and Pentland Homes, on which property developers will build a new purpose-built hospice for Canterbury. We continue to work in partnership in developing the plans for this. We know that the building has been granted planning consent and we have been continuing to work with the developer and the architect for the project to develop the internal specification, taking into account some of the learning from the COVID-19 pandemic.

The expected timescale for the project is starting to be understood and we are currently working on a provisional occupation date of early 2025, but clearly this may change over the coming months and years, depending on the development plans.

FINANCIAL RESULTS

The Statement of Financial Activities for the year is set out on page 32 of the financial statements. A summary of the financial results and the work of the charity is set out below. Notes 25a to 25b, which support the Statement of Financial Activities, show how funds have been received and applied during the year.

During the year under review, the net movement in funds was a surplus of £2,297,000 after investment gains of £1,809,000 compared to a deficit of £1,710,000 after investment gains of £343,000 in the previous year.

Our income generation activities from donations and legacies raised £3,081,000 (2019-20: £2,857,000) representing an increase of £224,000 compared to 2019-20. This increase represented a significant achievement from the Pilgrims fundraising teams in the face of the considerable constraints placed on their activities by the COVID-19 pandemic. The national and Tier 4 lockdowns also caused a significant reduction in Retail income in the year, falling from £3.4 million to £1.3 million, which closed the shops for most of the year. Legacy income increased compared to 2019-20, but it was clear that administrative problems at Her Majesty's Courts and Tribunal Service (HMCTS) had not been fully resolved and were still restricting the flow of probate referrals compared to the levels in 2018-19 and before. There still remained a substantial backlog in probate applications at HMCTS during much of the year. The situation was further compounded by delays across the probate approval process, caused by the COVID-19 pandemic. Fundraising income was badly impacted by the pandemic which severely disrupted the events programme, causing income to fall by £568,000 (50%) compared to 2019-20.

Our Retail operation, as mentioned above, (excluding the trading subsidiary) experienced very difficult trading conditions during the year, with the national lockdown and the Tier 4 restrictions causing the shops to be closed for nearly eight months in the year. The operation delivered a net loss of £104,000 on income of £1.3 million compared to a net profit of £1.1 million on income of £3.4 million the previous year. The loss was offset by £800,000 of income received from the Retail Grant Scheme funded by local authorities that was available for retail premises that had been forced to shut as a result of the national lockdowns and the Tier 4 restrictions.

The Lottery remained strong with a turnover in excess of £1.1 million and produced a net profit of £727,000, an increase of £103,000 on the previous year and a very good result during a very difficult year

Total grant income in the year amounted to £6.9 million (£2.7 million in 2019-20). The significant increase in income was a result of Pilgrims being able to draw on various support grants which the government and the NHS had opened to healthcare organisations in response to the COVID-19 pandemic. The largest grants were those provided by NHS England to the hospice sector, via Hospice UK, in order to maintain hospice capacity during the pandemic. These grants were in recognition of the substantial loss in income that hospices incurred as a result of the national lockdowns. We received just under £2 million in grants during the year from NHS England via Hospice UK. We also received Retail Grant Scheme grants of around £800,000 as a result of its shops being closed for most of the year, again as a result of the national and Tier 4 lockdowns. In addition to these grants, Pilgrims provided the NHS with additional beds during the first three months of the pandemic to help alleviate pressure in the local hospitals. £686,000 was received to

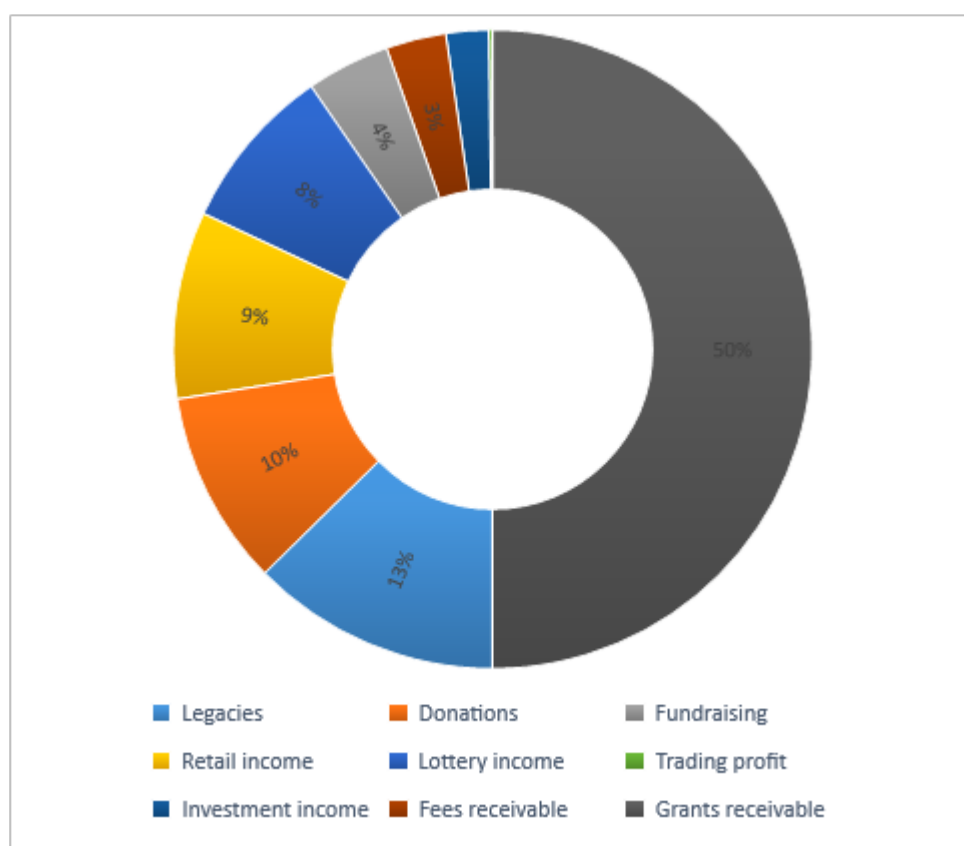
PILGRIMS HOSPICES IN EAST KENT
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 March 2021

provide this additional cover. These additional grant payments played a substantial role in enabling Pilgrims to maintain its services during the pandemic. In most cases the grants ceased at the end of 2020-21 and going forward Pilgrims will have to fall back on its usual income streams in order to fund services.

In addition to the COVID-19 related grants noted above, the grant from the local NHS Clinical Commissioning Groups (CCGs) under a service funding agreement amounted to £2.9 million, approximately 22% of total running costs.

Set alongside is a chart showing how diverse our sources of income are, but also demonstrating that in 2020-21 grant income comprised the largest percentage, as a result of the additional sources of funding from the NHS and local authorities as described above.



Overall expenditure fell by 5.5%, from £14,039,000 to £13,274,000. The reduction was primarily as a result of savings made in Fundraising and Retail as much of the events programme was suspended during the pandemic, with the events that were held being via virtual platforms and the shops being closed for a significant portion of the year. The lottery also was able to make some significant savings as canvassing for new members had to be suspended during the pandemic. Savings were made in our operations, as donations of food during the early stages in the pandemic enabled us to keep costs down in that area. As a result of some of our workforce working from home, there were also savings made on our utility costs, as fewer staff were on site than normal.

Investment gains during the year raised the value of the portfolio by £985,000. This increase was primarily the result of a strong recovery in the value of the investment portfolio, after the initial impact of the COVID-19 pandemic. There were also some additional investment properties recognised in the year, arising from a change in the treatment of certain premises that were mixed use, consisting of a shop premises, part of which also included a rented flat.

PILGRIMS HOSPICES IN EAST KENT
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 March 2021

Reserves Policy

The trustees review their policy each year. In conducting their review they take into consideration best practice and the guidance issued by the Charity Commissioners.

In considering the reserves position, the trustees review:

- that provision of this type of care involves ongoing running costs, currently in the region of £10,300,000 per year, just under three-quarters of which has to be derived from voluntary sources;
- over 80% of this amount is directly invested in providing these services;
- there is a requirement to provide assurance to those who give so generously that the trustees will be able to continue to provide patient care to meet the ever more demanding needs of the community;
- the income generation activity has an annual cost to the charity of approximately £3,700,000 and accordingly we need to generate approximately £14,000,000 per year, in a normal year.

The charity has the following categories of reserves:

Designated Reserves

'Fixed Assets in Use', which holds the fixed assets used by Pilgrims to provide the facilities for the patients, their families and carers.

Restricted Reserves

These are reserves only available for expenditure in accordance with the donor's directions.

Endowment Reserves

These represent capital sums which are donated under the restriction that they are invested and that only the income arising is available for expenditure in accordance with the donor's directions.

Revaluation Reserves

These represent the accumulated gains in revaluation of investment properties.

Free Reserves

These are retained by the trustees to give assurance to those who use Pilgrims' services and those who give of their time and money, that the trustees will be able to sustain their commitment to provide specialist palliative care services to patients and support to their families and carers. The reserves are set at a level to withstand any short-term setback, whether operational, in the investment markets, or in key sources of income such as legacies. Liquid free reserves at 31 March 2021 stood at £11,000,000 (2020: £9,354,000) which include £7,909,000 (2020: £6,930,000) invested in quoted investments but excludes £3,610,000 (2020: £2,580,000) in investment properties. The trustees have agreed that the total of free reserves, i.e. those that are not used in the day to day operation of the charity, must not be less than £6,000,000, sufficient to cover around five months operating expenditure, and in light of the uncertainties as a result of the pandemic, the trustees consider this to be satisfactory.

The trustees consider that, as the charity's income is derived from many different sources, the current level of reserves, which are maintained to avoid the risk of having to reduce the services provided in any short term downturn, is appropriate and should allow the trustees and executive team to plan for significant capital expenditure with regard to all three inpatient units as necessary in order to maintain a high standard of patient care.

INVESTMENT POLICY AND PERFORMANCE

At the end of the year there was £3,066,000 (2020: £2,280,000) available in cash and a high level of debtors which are monitored. At current financial levels of expenditure, the charity requires just under £1,200,000 per month to cover running costs, including fundraising costs. However, when the need arises, the charity is able to liquidate medium term investments very quickly. The balance of the reserves is held in a portfolio comprising properties, government and other fixed interest securities and equities. The trustees recognise the need to spread the investment risk in managing the reserves. They also acknowledge that investments should look to take into account, where possible, social, environmental and ethical considerations. For this

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FOR THE YEAR ENDED 31 March 2021

reason the trustees have stipulated that there should be no direct investment in tobacco manufacture.

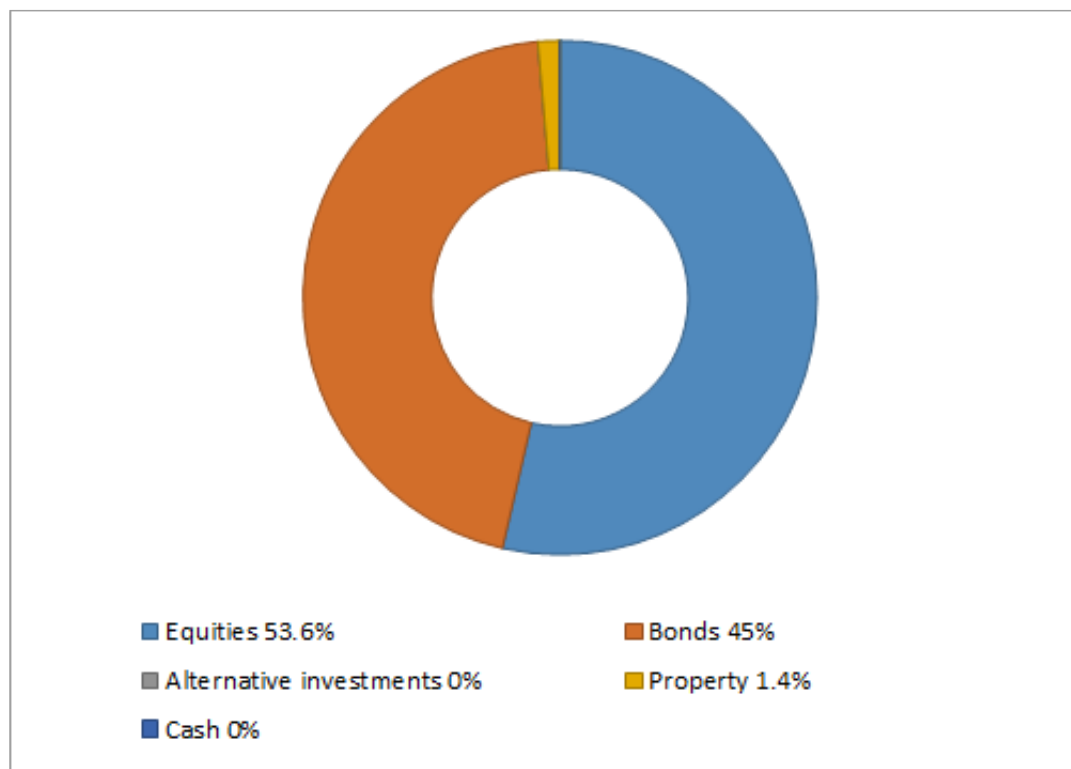
The investment properties comprise residential properties that the charity has inherited or acquired and which the trustees retain, having taken appropriate advice, as they provide potential for capital growth and income. The trustees are confident that, having taken advice, the carrying value of the properties at £3,610,000, a surplus of £2,191,000 over acquisition value, is an accurate reflection of their market value as at 31 March 2021. During the year, Pilgrims included five flats within the investment property value, that were in the same buildings as certain of its shops. Until this year, the flats were part of the fixed asset value of the relevant shop premises within which they were located.

The general investment policy for the investment portfolio, adopted by the trustees and managed by the investment advisers, Coutts & Co, is to grow the investments above inflation whilst receiving an income, in the context of achieving these objectives in a time horizon of 5 to 8 years and within a risk category of medium to medium high. The Coutts portfolio manager actively monitors portfolio volatility and discusses the risks with trustees at regular portfolio meetings.

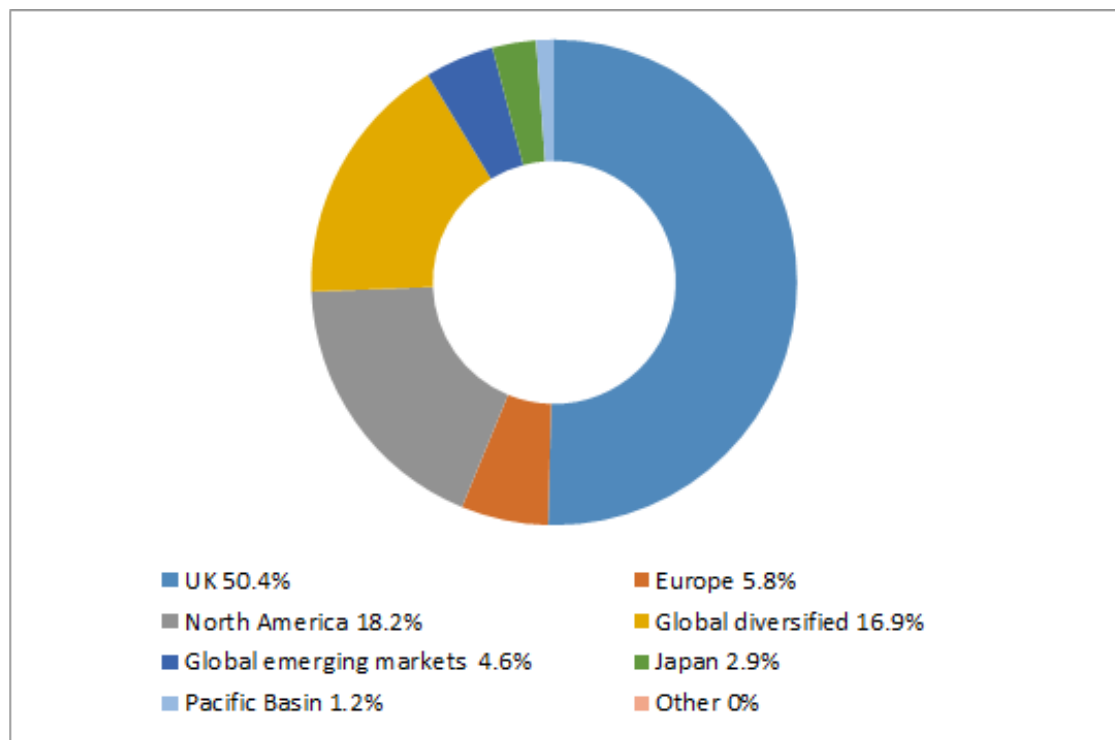
Coutts report that in the 12 month period to 31 March 2021 the weighted net return on the portfolio was 16%, compared to a return of -4% for the 12 months to 31 March 2020. This result was 1.6% ahead of the portfolio benchmark and represented a substantial recovery in value across the year. In absolute terms, the portfolio increased in value by 14% over the year. This increase was primarily the result of the rebound in world markets that occurred in the second quarter of the calendar year, following substantial falls in February and March 2020, which had been driven by investors' concerns over the impact of the COVID-19. The rise in values continued during the year, as vaccines against COVID-19 were rolled out and immunisation programmes commenced across the globe.

The asset distribution of the investment portfolio as at 31 March 2021 is set out below:

Asset class distribution



Geographic distribution



STATEMENT OF DISCLOSURE TO THE AUDITORS

Each of the persons who are trustees at the time when this Trustees' Report is approved has confirmed that:

- So far as that trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- That each Trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the Charitable Company's auditors are aware of that information.

Charity Website

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

This report, including the Strategic Report, was approved by the trustees, in their capacity as company directors on 29 September 2021 and signed on behalf of the company by:

.....
Karen Warden, Chair

INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 March 2021

Opinion

We have audited the financial statements of Pilgrims Hospices in East Kent (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 Pilgrims Hospices in East Kent's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other Information

The other information comprises the information included in the trustees' annual report, including the strategic 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

INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 March 2021

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, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic 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, including the strategic 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.

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

INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 March 2021

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 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;
 - 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.

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.

Joanna Pittman (Senior statutory auditor)
Date: 6 October 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

Pilgrims Hospices in East Kent

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

For the year ended 31 March 2021

	Note	Unrestricted £'000	Restricted £'000	Endowment £'000	2021 Total £'000	2020 Total £'000
Income from:						
Donations and legacies	3	2,029	1,052	–	3,081	2,857
Charitable activities	4	5,044	2,230	–	7,274	3,070
Other trading activities						
Fundraising income	5	3,073	–	–	3,073	5,808
Investments	6	296	–	–	296	251
Total income		10,442	3,282	–	13,724	11,986
Expenditure on:						
Raising funds						
Fundraising costs	7a	2,875	–	–	2,875	3,710
Investment management	7a	80	–	–	80	73
Charitable activities	7a	7,091	3,190	–	10,281	10,256
Total expenditure		10,046	3,190	–	13,236	14,039
Net income/(expenditure) before net gains on investments		396	92	–	488	(2,053)
Net gains on investments		1,809	–	–	1,809	343
Net income/(expenditure) for the year	9	2,205	92	–	2,297	(1,710)
Transfers between funds		–	–	–	–	–
Net movement in funds		2,205	92	–	2,297	(1,710)
Reconciliation of funds:						
Total funds brought forward		21,202	316	13	21,531	23,241
Total funds carried forward		23,407	408	13	23,828	21,531

Approved by the trustees on 29 September 2021 and signed on their behalf by

Balance sheets

Company no. 2000560

As at 31 March 2021

		The group		The charity	
	Note	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Fixed assets:					
Tangible assets	14	8,789	9,268	8,789	9,268
Investment properties	15	3,610	2,580	3,610	2,580
Total tangible assets		12,399	11,848	12,399	11,848
Investments	16	7,928	6,943	7,928	6,943
		20,327	18,791	20,327	18,791
Current assets:					
Stock	19	13	14	–	6
Debtors	20	1,277	1,480	1,327	1,543
Cash at bank and in hand		3,066	2,280	3,023	2,206
		4,356	3,774	4,350	3,755
Liabilities:					
Creditors: amounts falling due within one year	21	(855)	(1,034)	(849)	(1,015)
Net current assets		3,501	2,740	3,501	2,740
Total net assets		23,828	21,531	23,828	21,531
Funds:	24a				
Endowment funds		13	13	13	13
Restricted income funds		408	316	408	316
Total endowment and restricted funds		421	329	421	329
Unrestricted income funds:					
Designated funds		8,789	9,268	8,789	9,268
Revaluation reserve		2,192	1,413	2,192	1,413
General funds		12,426	10,521	12,426	10,521
Total unrestricted funds		23,407	21,202	23,407	21,202
Total funds		23,828	21,531	23,828	21,531

Approved by the trustees on 29 September 2021 and signed on their behalf by

Karden Warden
Chair

Pilgrims Hospices in East Kent

Consolidated statement of cash flows

For the year ended 31 March 2021

	Note	2021 £'000	2020 £'000
Cash flows from operating activities			
Net (expenditure) for the reporting period (as per the statement of financial activities)		2,297	(1,710)
Depreciation charges		318	307
(Gains) on investments		(1,809)	(343)
Dividends, interest and rent from investments		(296)	(251)
Loss on the disposal of fixed assets		(13)	–
Decrease in stocks		1	12
Decrease in debtors		203	1,425
Increase/(decrease) in creditors		(179)	(565)
Net cash provided by/(used on) operating activities		522	(1,125)
Cash flows from investing activities:			
Dividends, interest and rents from investments		296	251
Purchase of fixed assets		(76)	(286)
Proceeds from sale of investments		5,811	4,990
Proceeds from sale of investment property		–	65
Purchase of investments		(5,767)	(4,975)
Net cash provided by investing activities		264	45
Change in cash and cash equivalents in the year		786	(1,080)
Cash and cash equivalents at the beginning of the year		2,280	3,360
Cash and cash equivalents at the end of the year	a	3,066	2,280

Analysis of cash and cash equivalents and of net debt

	At 1 April 2020 £	Cash flows £	Other non- cash changes £	At 31 March 2021 £
Cash at bank and in hand	2,280	786	–	3,066
a Total cash and cash equivalents	2,280	786	–	3,066

1 Accounting policies

a) Statutory information

Pilgrims Hospices in East Kent is a charitable company limited by guarantee and is incorporated in England.

The registered office address is 56 London Road, Canterbury, Kent CT2 8JA.

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) (effective 1 January 2019) and the Companies Act 2006.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Pilgrims Hospices Trading 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 because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

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

The financial statements are presented in sterling which is the functional currency of the Charity, and are rounded to the nearest thousand.

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.

Free reserves stand at nine months of ongoing expenditure. The cash flow forecast and current budget projections indicate that Pilgrims has sufficient funds to finance itself during the next 12 months, from the date of signature of 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.

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.

1 Accounting policies (continued)

Legacies are reviewed on a case-by-case basis. Where possible, legacies are credited to the accounts in the year of death where the Trustees are satisfied they are entitled to the money, there is certainty they will receive it and they are able to quantify their entitlement. Entitlement is the earlier of the Charity being notified of an impending distribution or the legacy being received. Accordingly, all legacies are accounted for when probate is granted at the best estimate of the entitlement less an estimate of the costs and having made allowance for a variation between the probate value and the final proceeds realised, excluding those that are subject to the interest of a life tenant.

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

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. However, the trustees' annual report provides information about Pilgrims' volunteers and the contribution that they make to the charity.

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) 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.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor, or where donations are received in response to fundraising by the Charity for particular purposes. 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.

Investment income, gains and losses are allocated to the appropriate fund.

i) 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 inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of providing care and educational activities 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.

1 Accounting policies (continued)

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Support costs are the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function.

Fundraising support costs are the support costs directly attributed to the Lottery and Retail departments of the charity.

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.

Support and governance costs are re-allocated to each of the activities according to the proportion of total direct costs attributable to each of those activities.

	Support	Governance
● In-patient	69%	81%
● Community services	11%	13%
● Counselling	4%	4%
● Information and education	1%	2%
● Governance	15%	–

Ap| Operating leases

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

l) Tangible fixed assets

Items of equipment are capitalised at cost, including any incidental expenses of acquisition, where the purchase price exceeds £2,500. 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. Any shortfalls are recognised as impairment losses in the Statement of Financial Activities.

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:

● Freehold land and buildings	50 years
● Long leasehold land and buildings	50 years
● Motor vehicles	4 years
● Fixtures and fittings	4–5 years
● Equipment	5–10 years

m) Investment properties

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value. Investment properties are not depreciated. Fair value is determined annually by the Trustees based on advice received. Any change in fair value is recognised in 'net gains/(losses) on investments' in the statement of financial activities. The valuation method used to determine fair value will be stated in the notes to the accounts.

1 Accounting policies (continued)

n) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'net gains/(losses) on investments' in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

o) Investments in subsidiaries

Investments in subsidiaries are at cost.

p) Stocks

Stocks consist of purchased goods for resale and 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.

q) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

s) 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.

t) 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.

u) 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.

v) Pensions

The Group operates a defined contribution pension scheme open to all employees. However, certain employees are already members of professional pension schemes to which Pilgrims Hospices in East Kent continues to make contributions as their employer. The pension costs charged in the financial statements represent the contributions payable by the Group during the year.

Baptist Pension Scheme

The Charity also participates in the Baptist Pension Scheme (the Plan). The Plan is funded and is not contracted out of the state scheme. It is a multi-employer pension plan and it is not possible, in the normal course of events, to identify, on a reasonable and consistent basis, the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the Plan, the accounting charge for the period under review represents the employer contribution payable. While the Plan is primarily a defined contribution scheme it has inherent guarantees that mean the Group may need to make further contributions to meet deficits.

1 Accounting policies (continued)

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up. The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt. Further details including the current buy-out debt amount are given in Note 27 as a liability.

NHS Pension

Staff transferring from the NHS may continue to contribute to the NHS scheme.

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

i) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2020, is based on valuation data as at 31 March 2019, updated to 31 March 2020 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

ii) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay. The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. In January 2019, the Government announced a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

The Government subsequently announced in July 2020 that the pause had been lifted, and so the cost control element of the 2016 valuations could be completed. The Government has set out that the costs of remedy of the discrimination will be included in this process. HMT valuation directions will set out the technical detail of how the costs of remedy will be included in the valuation process. The Government has also confirmed that the Government Actuary is reviewing the cost control mechanism (as was originally announced in 2018). The review will assess whether the cost control mechanism is working in line with original government objectives and reported to Government in April 2021. The findings of this review will not impact the 2016 valuations, with the aim for any changes to the cost cap mechanism to be made in time for the completion of the 2020 actuarial valuations.

2 Detailed comparatives for the statement of financial activities

	Unrestricted £'000	Restricted £'000	Endowment £'000	2020 Total £'000
Income from:				
Donations and legacies	2,164	693	–	2,857
Charitable activities	3,067	3	–	3,070
Other trading activities				
Fundraising income	5,808	–	–	5,808
Investments	251	–	–	251
Total income	11,290	696	–	11,986
Expenditure on:				
Raising funds				
Fundraising costs	3,710	–	–	3,710
Investment management	73	–	–	73
Charitable activities	9,702	554	–	10,256
Total expenditure	13,485	554	–	14,039
Net (expenditure)/income before investment gains	(2,195)	142	–	(2,053)
Net gains on investments	343	–	–	343
Net (expenditure)/income before other recognised gains and losses	(1,852)	142	–	(1,710)
Net movement in funds	(1,852)	142	–	(1,710)
Total funds brought forward	23,054	174	13	23,241
Total funds carried forward	21,202	316	13	21,531

3 Income from donations and legacies

	Unrestricted £'000	Restricted £'000	2021 Total £'000	Unrestricted £'000	Restricted £'000	2020 Total £'000
Donations	1,305	47	1,352	1,293	233	1,526
Legacies	724	1,005	1,729	871	460	1,331
	2,029	1,052	3,081	2,164	693	2,857

At the balance sheet date, Pilgrims had received notice of £573,000 of reversionary legacies which may become receiveable in the future. These legacies are gifts of money or assets which only take effect subject to the prior right of a named person or persons to receive the benefit of those monies or assets, or income produced by them, during the person or persons lifetime. The gift then passes absolutely to Pilgrims as the “reversionary beneficiary” on the death of the named person or persons.

4 Income from charitable activities

	Unrestricted £'000	Restricted £'000	2021 Total £'000	Unrestricted £'000	Restricted £'000	2020 Total £'000
Grants receivable						
Local Health Authority	2,720	156	2,876	2,639	–	2,639
NHSE/Hospice UK	3	2,074	2,077	–	–	–
Other grants	1,904	–	1,904	23	3	26
Total grants receivable	4,627	2,230	6,857	2,662	3	2,665
Fees receivable						
Medical fees	360	–	360	306	–	306
Ministers' fees	–	–	–	–	–	–
Course fees and hire of facilities	57	–	57	99	–	99
Total fees receivable	417	–	417	405	–	405
Total income from charitable activities	5,044	2,230	7,274	3,067	3	3,070

The Local Health Authority Grant is a grant from the local NHS Clinical Commissioning Groups (CCGs) awarded under a service funding agreement for the provision of specialist palliative and Hospice at Home care.

NHS England (NHSE) awarded funding (distributed via Hospice UK) to allow the hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the COVID-19 situation and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose.

5 Income from fundraising

	2021 Total £'000	2020 Total £'000
General fundraising	77	71
Proceeds of events	502	1,076
Income from Retail	1,296	3,404
Income from Lottery	1,151	1,174
Trading sales (note 17)	47	83
	3,073	5,808

All income from fundraising activities is unrestricted.

6 Income from investments

	2021 Total £'000	2020 Total £'000
Investment properties	156	148
Listed investments	139	96
Interest receivable on cash deposits	1	7
	296	251

All income from investments is unrestricted.

Pilgrims Hospices in East Kent

Notes to the financial statements

For the year ended 31 March 2021

7a Analysis of expenditure (current year)

	Fundraising costs £'000	Investment management £'000	Charitable activities				2021 Total £'000	2020 Total £'000
			In-patient £'000	Community services £'000	Counselling £'000	Information and education £'000		
Direct costs								
Staff costs (note 10)	565	–	5,896	1,031	393	110	7,995	7,958
Staff agency costs	–	–	146	–	–	–	146	163
Food	–	–	56	–	–	–	56	70
Medical supplies	–	–	148	–	–	–	148	85
Laundry and cleaning	–	–	87	–	–	–	87	86
Heat, light and water	–	–	163	–	–	–	163	119
Repairs and maintenance	–	–	238	–	–	–	238	234
Postage, printing and stationery	95	–	17	–	–	–	112	97
Recruitment advertising and fees	–	–	–	–	–	–	–	18
Telephone	–	–	22	46	–	–	68	65
Insurance	–	–	–	–	–	–	–	–
Travel	–	–	21	29	1	–	51	162
Course fees and expenses	–	–	–	–	–	24	24	61
Professional books and journals	–	–	–	–	–	1	1	1
Costs of education centre	–	–	–	–	–	3	3	8
Prizes	213	–	–	–	–	–	213	213
Other costs	77	–	18	–	–	–	95	365
Trading company costs of sales	11	–	–	–	–	–	11	36
Publicity	5	–	–	–	–	–	5	12
Event costs	–	–	–	–	–	–	–	–
Investment property costs	–	42	–	–	–	–	42	42
Investment management fees	–	38	–	–	–	–	38	31
Depreciation	–	–	315	–	–	–	315	283
	966	80	7,127	1,106	394	138	9,811	10,108
Support costs (note 8a)	1,909	–	1,038	161	58	19	3,185	3,676
Governance costs (note 8a)	–	–	195	30	11	4	240	254
Total charity expenditure 2021	2,875	80	8,360	1,297	463	161	13,236	
Total charity expenditure 2020	3,710	73	8,030	1,471	535	220		14,038

Pilgrims Hospices in East Kent

Notes to the financial statements

For the year ended 31 March 2021

7b Analysis of expenditure (prior year)

	Fundraising costs £'000	Investment management £'000	Charitable activities				2020 Total £'000
			In-patient £'000	Community services £'000	Counselling £'000	Information and education £'000	
Direct costs							
Staff costs (note 10)	633	–	5,641	1,114	457	113	7,958
Staff agency costs	21	–	142	–	–	–	163
Food	–	–	70	–	–	–	70
Medical supplies	–	–	85	–	–	–	85
Laundry and cleaning	–	–	86	–	–	–	86
Heat, light and water	–	–	119	–	–	–	119
Repairs and maintenance	–	–	234	–	–	–	234
Postage, printing and stationery	59	–	38	–	–	–	97
Recruitment advertising and fees	–	–	18	–	–	–	18
Telephone	–	–	23	42	–	–	65
Insurance	–	–	–	–	–	–	–
Travel	–	–	62	96	1	3	162
Course fees and expenses	–	–	–	–	–	61	61
Professional books and journals	–	–	–	–	–	1	1
Costs of education centre	–	–	–	–	–	8	8
Prizes	213	–	–	–	–	–	213
Other costs	322	–	42	1	–	–	365
Trading company costs of sales	36	–	–	–	–	–	36
Publicity	11	–	–	–	–	1	12
Event costs	–	–	–	–	–	–	–
Investment property costs	–	42	–	–	–	–	42
Investment management fees	–	31	–	–	–	–	31
Depreciation	–	–	283	–	–	–	283
	1,295	73	6,843	1,253	458	187	10,108
Support costs	2,415	–	987	182	64	28	3,676
Governance costs	–	–	200	36	13	5	254
Total charity expenditure	3,710	73	8,030	1,471	535	220	14,038

Pilgrims Hospices in East Kent

Notes to the financial statements

For the year ended 31 March 2021

8a Support and governance costs (current year)

	Charitable activities							
	Fundraising costs £'000	In-patient £'000	Community services £'000	Counselling £'000	Information and education £'000	Governance £'000	2021 Total £'000	2020 Total £'000
Staff costs	1,018	737	114	41	14	155	2,079	2,109
Staff agency costs	43	27	4	1	1	6	82	171
Repairs and maintenance	43	10	2	1	–	2	58	116
Postage, print and stationery	–	5	1	–	–	1	7	33
Telephone	–	–	–	–	–	–	–	–
Travel	–	–	–	–	–	–	–	1
Occupational health	–	8	1	–	–	2	11	8
Life assurance	–	11	2	1	–	2	16	30
Computer costs	–	136	21	8	3	29	197	172
Bank charges	–	14	2	1	–	3	20	21
Auditors' remuneration	2	–	–	–	–	21	23	44
Professional and consultancy fees	–	13	2	1	–	3	19	22
Other shops and lottery costs	402	–	–	–	–	–	402	601
Rent and rates	397	–	–	–	–	–	397	492
Partial exemption adjustment	–	17	3	1	–	3	24	30
Sundry	–	60	9	3	1	13	86	55
Depreciation	4	–	–	–	–	–	4	25
	1,909	1,038	161	58	19	240	3,425	3,930
Allocation of governance	–	195	30	11	4	(240)		
Total support and governance expenditure 2021	1,909	1,233	191	69	23	–		3,930

Pilgrims Hospices in East Kent

Notes to the financial statements

For the year ended 31 March 2021

8b Support and governance costs (prior year)

	Charitable activities						2020 Total £'000
	Fundraising costs £'000	In-patient £'000	Community services £'000	Counselling £'000	Information and education £'000	Governance £'000	
Staff costs	1,041	715	131	48	20	154	2,109
Staff agency costs	141	20	4	1	1	4	171
Repairs and maintenance	114	2	-	-	-	-	116
Postage, print and stationery	-	22	4	1	1	5	33
Telephone	-	-	-	-	-	-	-
Travel	-	1	-	-	-	-	1
Occupational health	-	6	1	-	-	1	8
Life assurance	-	20	4	1	1	4	30
Computer costs	-	115	21	8	3	25	172
Bank charges	-	14	3	1	-	3	21
Auditors' remuneration	1	-	-	-	-	43	44
Professional and consultancy fees	-	15	3	1	-	3	22
Other shops and lottery costs	601	-	-	-	-	-	601
Rent and rates	492	-	-	-	-	-	492
Partial exemption adjustment	-	20	4	1	1	4	30
Sundry	-	37	7	2	1	8	55
Depreciation	25	-	-	-	-	-	25
Approved by the trustees on 23 September 2021 and signed on their behalf by	2,415	987	182	64	28	254	3,930
Allocation of governance	-	200	36	13	5	(254)	
Total expenditure 2020	2,415	1,187	218	77	33	-	

Notes to the financial statements

For the year ended 31 March 2021

9 Net income/(expenditure) for the year

This is stated after charging / (crediting):

	2021 £'000	2020 £'000
Depreciation	318	307
Operating lease rentals:		
Property	400	432
Other	63	67
Operating lease rentals receivable:		
Property	(156)	(148)
Auditor's remuneration (excluding VAT):		
Audit of charity – current year	22	22
Audit of charity – under/(over) accrual in previous years	(1)	19
Audit of trading subsidiary	2	2
	2	2

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

Staff costs were as follows:

	2021 £'000	2020 £'000
Salaries and wages	8,620	8,564
Redundancy and termination costs	–	6
Social security costs	753	770
Employer's contribution to defined contribution pension schemes	701	727
	10,074	10,067

Allocated to:

Direct costs (note 7)	7,995	7,958
Support and governance (note 8)	2,079	2,109
	10,074	10,067

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	5	5
£70,000 – £79,999	3	3
£80,000 – £89,999	–	–
£90,000 – £99,999	–	1
£100,000 – £109,999	1	–

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £496,492 (2020: £554,153).

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).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £Nil (2020: £383) incurred by 0 (2020: 1) trustee(s) relating to attendance at meetings of the trustees.

11 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 359 (2020: 399).

Staff are split across the activities of the charity as follows :

	Headcount		Full time equivalent	
	2021 No.	2020 No.	2021 No.	2020 No.
Fundraising	26.0	28.0	22.0	22.0
Trading	43.0	47.0	42.0	44.0
In-patient	211.0	235.0	145.0	147.0
Community services	39.0	44.0	33.0	35.0
Counselling	12.0	15.0	10.0	11.0
Information and education	9.0	12.0	5.0	6.0
Administration and support	19.0	18.0	19.0	20.0
	359.0	399.0	276.0	285.0

12 Related party transactions

During the year, donations amounting to £2,753 were made by trustees to the charity. Other than these donations, there were no donations from other related parties which were outside the normal course of business and there were no restricted donations from related parties.

Pilgrims Hospices Trading Limited incurred management charges payable to the Charity of £1,511 (2020: £2,267). In addition, the Charity purchased goods from Pilgrims Hospices Trading of £nil (2020: £nil). Pilgrims Hospices Trading covenanted its profit of £34,137 (2020: £41,382) to the Charity.

13 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 Pilgrims Hospices Trading Limited distributes under Gift Aid available profits to the parent charity. Its charge to corporation tax in the year was:

	2021 £'000	2020 £'000
UK corporation tax at 19%	-	-

14 Tangible fixed assets**The group and charity**

	Freehold land and buildings £'000	Long leasehold land and buildings £'000	Furniture and furnishings £'000	Equipment £'000	Motor vehicles £'000	Total £'000
Cost						
At the start of the year	10,860	2,671	318	871	82	14,802
Additions in year	1	13	–	62	–	76
Disposals in year	(321)	–	–	(36)	(44)	(401)
At the end of the year	10,540	2,684	318	897	38	14,477
Depreciation						
At the start of the year	3,283	1,264	288	643	56	5,534
Charge for the year	169	66	6	71	6	318
Eliminated on disposal	(100)	–	–	(36)	(28)	(164)
At the end of the year	3,352	1,330	294	678	34	5,688
Net book value						
At the end of the year	7,188	1,354	24	219	4	8,789
At the start of the year	7,577	1,407	30	228	26	9,268

Land with a value of £2 million (2020: £2 million) is included within freehold property and not depreciated.

All of the above assets are used for charitable purposes.

15 Investment properties**The group and charity**

	2021 £'000	2020 £'000
Fair value at the start of the year	2,580	1,892
Additions	250	–
Disposals	–	(65)
Revaluation during the year	780	753
Fair value at the end of the year	3,610	2,580
Historic cost	1,418	1,167

The properties were last valued, as at 31 March 2021, in May 2021 by Rob Bryer, MARLA MNAEA from The Good Estate Agent.

Management undertakes regular reviews of the condition of the investment properties and regular maintenance is undertaken in order to maintain values.

16 Listed investments

The group and charity	Listed £'000	Other £'000	2021 £'000	Listed £'000	Other £'000	2020 £'000
Fair value at the start of the year	6,491	452	6,943	7,207	161	7,368
Additions at cost	5,767	–	5,767	4,684	291	4,975
Disposal proceeds	(5,358)	(453)	(5,811)	(4,990)	–	(4,990)
Net (loss)/gain on change in fair value	1,029	–	1,029	(410)	–	(410)
Fair value at the end of the year	<u>7,929</u>	<u>(1)</u>	<u>7,928</u>	<u>6,491</u>	<u>452</u>	<u>6,943</u>

Investments comprise:

	2021 £'000	2020 £'000
Fixed interest	3,570	3,390
Managed funds (equity based)	4,359	3,101
Alternative investment funds	–	–
Cash	(1)	452
All fixed assets are held in the UK.	<u>7,928</u>	<u>6,943</u>

17 Subsidiary undertakings

The charity owns the whole of the issued ordinary share capital (2 ordinary shares of £1 each) of Pilgrims Hospices Trading Limited, a company registered in England. The company number is 07993259. The registered office address is 56 London Road, Canterbury, Kent CT2 8JA.

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 charity also owns the whole of the issued ordinary share capital of Hospice Shops Limited (company registration number 01623758) (3 ordinary shares of £1 each) and Pilgrims Hospice Lottery Limited (company registration number 03130167) (2 ordinary shares of £1 each). Both are incorporated in England and Wales, and the registered office is 56 London Road, Canterbury, Kent CT2 8JA.

Hospice Shops Limited and Pilgrims Hospice Lottery Limited are dormant and did not trade during the year.

The Chair of Pilgrims Hospices in East Kent, Karen Warden, is also the director of all the subsidiary companies.

A summary of the results of Pilgrims Hospices Trading Limited is shown below:

	2021	2020
	£'000	£'000
Turnover	47	83
Cost of sales	(11)	(36)
Gross profit/(loss)	36	47
Administrative expenses	–	(4)
Management charge payable to parent undertaking	(2)	(2)
Profit on ordinary activities before taxation	34	41
Taxation on profit on ordinary activities	–	–
Profit for the financial year	34	41
Retained earnings		
Total retained earnings brought forward	–	–
Profit for the financial year	34	41
Distribution under Gift Aid to parent charity	(34)	(41)
Total retained earnings carried forward	–	–
The aggregate of the assets, liabilities and reserves was:		
Assets	64	82
Liabilities	(64)	(82)
Reserves	–	–

Amounts owed to/from the parent undertaking are shown in note 20.

18 Parent charity

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

	2021	2020
	£'000	£'000
Gross income	13,714	11,946
Result for the year	2,296	(1,765)

Notes to the financial statements

For the year ended 31 March 2021

19 Stock

	The group		The charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Finished goods	13	14	–	6

20 Debtors

	The group		The charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade debtors	122	344	122	344
Other debtors	8	137	–	137
Amounts due from group undertakings	–	–	58	63
Prepayments and other accrued income	621	137	621	137
Accrued legacy income	526	862	526	862
	1,277	1,480	1,327	1,543

21 Creditors: amounts falling due within one year

	The group		The charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade creditors	278	198	278	195
Corporation tax	–	–	–	–
Other taxation and social security	210	196	210	183
Other creditors	60	26	60	26
Accruals	107	259	101	256
Deferred income (note 22)	200	355	200	355
	855	1,034	849	1,015

22 Deferred income

Deferred income comprises lottery subscriptions, course fees and fundraising activities taking place in the following year.

	The group		The charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Amount deferred in the year				
Balance at the beginning of the year	355	212	355	212
Amount deferred in the year	200	355	200	355
Amount released to income in the year	(355)	(212)	(355)	(212)
Balance at the end of the year	200	355	200	355

23 Financial instruments

	2021	2020
	£'000	£'000
Financial assets measured at fair value through profit and loss		
Investment properties	3,610	2,580
Listed Investments	7,928	6,943
	11,538	9,523

Pilgrims Hospices in East Kent

Notes to the financial statements

For the year ended 31 March 2021

24a Analysis of group net assets between funds (current year)

	General unrestricted £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Tangible fixed assets	-	8,789	-	-	8,789
Investment properties	3,610	-	-	-	3,610
Investments	7,915	-	-	13	7,928
Net current assets	3,093	-	408	-	3,501
Net assets at 31 March 2021	14,618	8,789	408	13	23,828

24b Analysis of group net assets between funds (prior year)

	General unrestricted £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Tangible fixed assets	-	9,268	-	-	9,268
Investment properties	2,580	-	-	-	2,580
Investments	6,930	-	-	13	6,943
Net current assets	2,424	-	316	-	2,740
Net assets at 31 March 2020	11,934	9,268	316	13	21,531

25a Movements in funds (current year)

	At 1 April 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	Net assets at 31 March £'000
Endowment funds:						
Permanent endowment fund	13	-	-	-	-	13
Restricted funds:						
Ashford Hospice	109	1,052	(1,071)	-	-	90
Bedside Funds	14	2	(8)	-	-	8
Canterbury Hospice	20	1,118	(1,120)	-	-	18
Thanet Hospice	26	953	(968)	-	-	11
Hospice at Home	-	1	(1)	-	-	-
Virtual reality headsets	14	-	(14)	-	-	-
Sundry projects	133	156	(8)	-	-	281
Total restricted funds	316	3,282	(3,190)	-	-	408
Unrestricted funds:						
Designated funds:						
Fixed asset fund	9,268	-	-	(479)	-	8,789
Total designated funds	9,268	-	-	(479)	-	8,789
Revaluation reserve	1,413	-	-	(1)	780	2,192
General funds	10,521	10,442	(10,046)	480	1,029	12,426
Total unrestricted funds	21,202	10,442	(10,046)	-	1,809	23,407
Total funds	21,531	13,724	(13,236)	-	1,809	23,828

The narrative to explain the purpose of each fund is given at the foot of the note below.

25b Movements in funds (prior year)

	At 2 April 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	At 31 March 2020 £'000
Endowment funds:						
Permanent endowment fund	13	-	-	-	-	13
Restricted funds:						
Ashford Hospice	36	290	(222)	5	-	109
Bedside Fund	1	14	-	(1)	-	14
Canterbury Hospice	21	193	(192)	(2)	-	20
Thanet Hospice	23	135	(122)	(10)	-	26
Hospice at Home	-	1	(1)	-	-	-
Virtual reality headsets	-	14	-	-	-	14
Sundry projects	93	49	(17)	8	-	133
Total restricted funds	174	696	(554)	-	-	316
Unrestricted funds:						
Designated funds:						
Fixed asset fund	9,289	-	-	(21)	-	9,268
Total designated funds	9,289	-	-	(21)	-	9,268
Revaluation reserve	1,260	-	-	(600)	753	1,413
General funds	12,505	11,290	(13,485)	621	(410)	10,521
Total unrestricted funds	23,054	11,290	(13,485)	-	343	21,202
Total funds	23,241	11,986	(14,039)	-	343	21,531

Purpose of endowment fund

This represents part of the total assets of the Canterbury Dispensary Fund, received in the year to 31 March 2000. The capital is invested in a unit trust.

Purposes of restricted funds

These represent donations, legacies and grants received for specific purposes. Those funds associated with the three hospice sites are for projects to be undertaken for the improvement of patient care at those specific sites.

The **Bedside Fund** provides funding for the upgrade or replacement of items of equipment needed 'at the bedside' across the three hospice sites.

The **Virtual reality headsets fund** will enable the provision of Virtual headsets on each inpatient unit that can be utilised as diversional Therapy, reducing anxiety and pain in patients.

Included in **Sundry projects** is a legacy specifically for the funding of training for health and social care professionals, with a revised programme planned for 2020, as well as a grant for a pilot scheme with certain east Kent GP practices to help identify patients that would benefit from early referral to Pilgrims' services and expertise. The projects also include a fund for the employment of a Specialist Nurse who will recruit and train expert volunteers to provide bereavement support to bereaved families across east Kent.

Purposes of designated funds

The fixed asset fund has been set up to identify those funds that are not free funds and it represents the net book value of tangible fixed assets. The transfer between the unrestricted general fund and the fixed asset fund represents the net movement in the net book value of fixed assets in the year.

Revaluation reserve

The revaluation reserves represents the increase in valuation of investment properties above the cost price paid.

26 Operating lease commitments payable as a lessee

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

	Land and buildings		Equipment and vehicles	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Less than one year	413	396	44	19
One to five years	505	815	29	37
Over five years	164	232	–	–
	1,082	1,443	73	56

27 Pension commitments – defined benefit plan

The Charity participates in the Baptist Pension Scheme (the Plan). The Plan is funded and is not contracted out of the state scheme. It is a multi-employer pension plan and it is not possible, in the normal course of events, to identify, on a reasonable and consistent basis, the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS102 represents the employer contribution payable. While the Plan is primarily a defined contribution scheme it has inherent guarantees that mean the charity may need to make further contributions to meet deficits.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan and The Pensions Act 2011 has more recently altered the definitions. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up. The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

The Charity has been notified by the Baptist Pension Scheme of the estimated employer debt on withdrawal from the Plan based on the current financial position of the Plan. As of 20 February 2020 the estimated employer debt for the Charity was £35,900 (2020:£35,900). This potential debt is included in the financial statements in current liabilities. The Charity has not been notified of additional contributions that will be payable in order to eliminate the deficit in the Plan.

In accordance with the charity's accounting policy, any such expenditure will be recognised in the accounts as the contributions become payable. The Trustees consider any such excess unlikely.

28 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.