

THE HEART OF KENT HOSPICE

England & Wales · Charity number 298164

Details

Other names	THE MAIDSTONE HOSPICE APPEAL
Status	Registered
Legal form	Charitable company
Company number	02184005
Registered	1988-01-18
Register	View on the Charity Commission register

Contact

Address	Chief Executive Heart Of Kent Hospice Preston Hall Royal British Legion Village Aylesford ME20 7PU
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Website	www.hokh.org

Activities

Objects: 2.1 The Objects of the Charity are the relief of the needs of those who are suffering from a chronic or terminal illness, disability or disease and in particular, but not so as to limit the generality of the foregoing, by:2.1.1 the provision of an in-patient unit, outpatient centre, community service and bereavement service in the Kent and Medway area for such patients, relatives and carers; 2.1.2 to conduct, promote or encourage research into the care and treatment of patients with progressive life-threatening diseases and to publish the beneficial results of any research undertaken by the Charity;2.1.3 to promote the principles and practices of palliative care throughout the wider community by assisting in multi-professional training and education;2.1.4 to provide and facilitate the provision of physical, social and psychological care and spiritual help for patients, relatives or carers under the care of the Charity and for the colleagues and volunteers working with them.

Activities: The main areas of charitable activity are the provision of inpatient services, day care and support therapies, counselling and community services.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives
- **Who:** Children/young People, Elderly/old People, The General Public/mankind

Geography

- **Area of benefit:** THE KENT AND MAIDSTONE STRATEGIC HEALTH AUTHORITY AREA
- Kent

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£11,413,860	£7,558,341	£10,695,406	173
2024-03-31	£6,927,260	£6,604,159	£6,840,663	162
2023-03-31	£6,120,776	£6,057,615	£6,484,733	151
2022-03-31	£6,421,632	£5,493,260	£6,379,857	139
2021-03-31	£5,983,184	£4,962,136	£5,446,806	133

Trustees

Name	Role	Appointed
Ann Margaret Millington		2021-11-08
Donna Jane Jones		2023-11-13
Dr Nicholas Jegard		2020-11-16
Emma Louise Hannah Price		2021-11-08
Hugh Smith		2020-11-16
Khaled Ahmed Kassem-Toufic		2022-11-14
Mark James Kirby		2023-11-13
Rachel Parris		2021-11-08
Sarah Marguerite Pain		2020-11-16
Serena Gaye St Clair Cooper		2020-11-16
Stephen James Thompson		2021-11-08
Susan Jane Hayes		2023-11-13

THE HEART OF KENT HOSPICE

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Accounts

Annual Report and Accounts 2024 – 2025



Your community,
your hospice

Rudo, Registered Nurse on our Inpatient Unit



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A message from our Patron **Geraldine Allinson OBE DL**

Volunteers are, as they have always been, central to all that we do at Heart of Kent Hospice.

Around 600 people offer their time to the hospice and in 2024/25 I had the pleasure of meeting many of them.

There are lots of reasons why our volunteers choose to get involved, including gaining work experience, meeting new people, and sharing their skills to help others. For some, it's about giving back to or being part of the community, and for others it's a very personal way of saying 'thank-you'.

I am in awe of the diverse skills and knowledge they bring. It's impossible to quantify the value of their contribution, but it must be worth at least £1m every year.

What is certain, is that it would not be possible for

the hospice team to achieve what it does without the commitment and loyalty of this extraordinary band of people.

I extend my warmest thanks and gratitude to everyone who supports the hospice with the gift of their time, experience and energy.



Message from Chair of Trustees Ann Millington



You will have your own reasons for supporting your hospice, but I know that, alongside many others, I feel a deep connection with the hospice's work, its values, and the extraordinary people who make the hospice what it is. Thank you.

Like other hospices around the country, Heart of Kent Hospice remains under financial strain. Operational costs have increased while statutory funding has remained unchanged. We received £100,564 at the end of March 2025 as our allocation from the Government's £100m hospice capital funding pot. This could only be utilised for building and capital expenditure and not for the provision of care.

Whilst we welcome it, it doesn't help with our most urgent need: to pay the salaries of the nursing and

medical teams and all those who make our care so special.

Heart of Kent Hospice does not have significant reserves that we can dip into. Each year we must cut our cloth according to the income we have available to spend. But because of you, and others like you, the hospice team were able to provide compassionate care to record numbers of people throughout the financial year of 2024/25. Thanks to you, those friends, neighbours and loved-ones did not have to face the immense challenge of terminal illness alone. Thank you again.

My fellow Trustees and I also thank the outgoing Chief Executive, Rachel Street, for her commitment to making a positive impact for everyone living with a terminal illness in our community. This was a huge decision for Rachel,

whose connections to our hospice run deep. She hands over Heart of Kent Hospice in great shape and with an exciting future ahead.

I am sure you will join me in welcoming Ann-Marie Kelly as Chief Executive. Ann-Marie has been our Director of Income Generation for over ten years. She has the commitment, expertise and experience that we need to progress the delivery of the hospice's strategic plan and the development of the new hospice at Greensand Place, Linton. The year ahead looks promising.

A handwritten signature in black ink, which appears to read 'A Millington'. The signature is stylized and fluid.

Message from outgoing Chief Executive Rachel Street



As Heart of Kent Hospice's Chief Executive during the 2024/25 financial year, it was reassuring to end the financial year in a positive position that protects our reserves for future years.

Whilst my colleagues are adept at utilising their budgets wisely, this achievement is really thanks to you – our supporters. It's thanks to your kindness and loyalty to Heart of Kent Hospice and all that you do to fund our specialist care. Quite simply, your hospice would not exist without you.

A significant milestone in the year was securing outline planning permission to build a new hospice in Linton. Colleagues from across the organisation participated in design development sessions, helping shape aspirations for a modern future hospice that provides a welcoming environment for people under our care.

The hospice's Strategic Plan for 2024-2027 was created in consultation with all colleagues. I believe that it captures their ambition and drive to do all they can for terminally ill people living in our community.

In March this year I met The Baroness Monckton of Dallington Forest, MBE. Rosa is a good friend of the hospice. Following her appointment to the House of Lords she has lost no time in speaking out about hospice funding and the Terminally Ill Adults (End of Life) Bill in the most forthright of terms. The latter is a very emotive subject and will have polarised opinions. Heart of Kent Hospice remains strong in its stance that high-quality palliative and end-of-life care must be a priority for all.

No one should feel they are choosing assisted dying because their physical, emotional, or spiritual needs

are not being met. That's why we echo calls across the hospice and healthcare sector for greater investment in palliative care – so that choice at the end of life is always made in the presence of excellent support, not in the absence of it.

For the past six and half years I have had the privilege of working with and meeting so many amazing people: colleagues, volunteers and supporters as well as people under our care and their loved ones. I truly feel I have been part of something very special and I will miss being part of Heart of Kent Hospice very much indeed.

Thank you again for all that you do for Heart of Kent Hospice.

A handwritten signature in black ink, which appears to be 'Rachel Street'. The signature is fluid and cursive, written on a white background.

Message from Chief Executive Ann-Marie Kelly



Looking forward

I am hugely privileged to take over from Rachel as Chief Executive and am excited to build on our strategic plans to expand our reach and reputation. As demand for our specialist end-of-life and palliative care continues to increase, so does our ambition and drive to help even more people. I'm eager to ensure that our colleagues and volunteers continue to be well supported and thrive during our next phase.

Raising our profile as an independent charity that costs over £7.6m a year to run is at the heart of our strategy – securing income and financial success. As we proceed to the next stage of the development of our new hospice in Linton, we must balance this additional fundraising need, with the reality that we are always under pressure to fund the day-to-day care of our patients and their loved-ones.

You, our supporters, partners, stakeholders and volunteers ensure we can do this. Thank you for your loyal generosity, for your donations and fundraising; for volunteering, buying and donating to our charity shops; thank you for considering to leave us a gift in your Will and for spreading

the word about the invaluable difference we make to people at the end of their lives.

You are the driving force behind everything we do. Your support makes it possible.

A handwritten signature in black ink that reads "Ann-Marie Kelly".

“My Dad had just popped home for something to eat when someone from the hospice called to say the time was getting close.

When we got there, someone had put on some lovely, soothing music and one of the volunteers was holding my Mum's hand. She asked if there was anything we needed and offered to make cups of tea for us all. I'm so grateful to that lady, because if Mum had departed before we'd got there, she wouldn't have been alone.

We swear that Mum held on until my sister got there, because a minute after she arrived, Mum went. All five of us were there with her and able to express how much we loved her.

It was heart-breaking, but the hospice made the thing we were dreading into something indescribably peaceful and gentle. We had never imagined it could be like that.”

Helen Kirk-Brown

Our vision

Our vision is that everyone living with a terminal illness in our community will achieve the best quality of life. We seek to achieve this by enabling people with a terminal illness in our community to live in comfort, with independence and dignity to the end of their lives, and to support those closest to them.

Our values and culture framework

Our culture, values and behaviours guide our decision making and how we conduct ourselves in our work. They ensure all patients, and their loved-ones receive the very best care, day in and day out.

Our values are:

Compassion

Integrity

Respect

Teamwork

The hospice has a culture framework which celebrates our values and helps colleagues and volunteers put these values into action. The culture framework includes four core behaviours:

I care

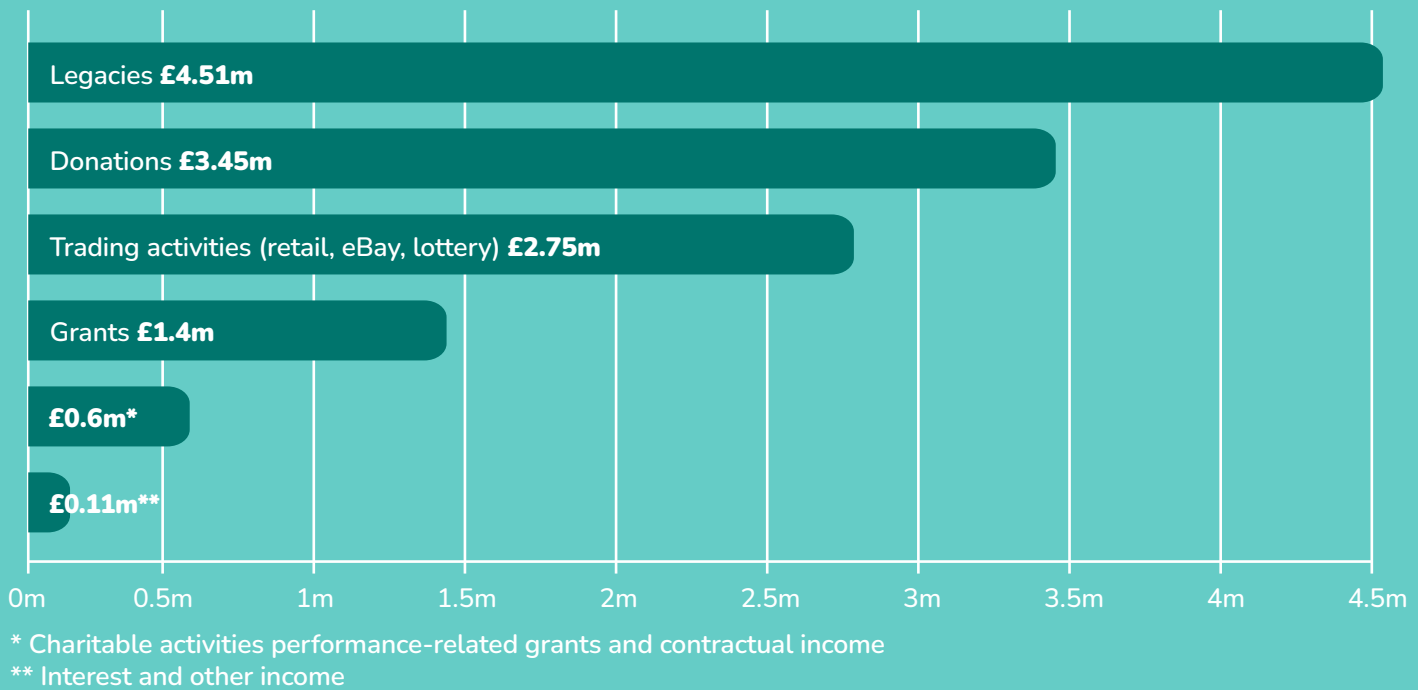
I own

I learn

I improve

These core behaviours underpin how we recruit, develop and retain our teams.

Where our money came from in 2024/25



How your money was spent in 2024/25



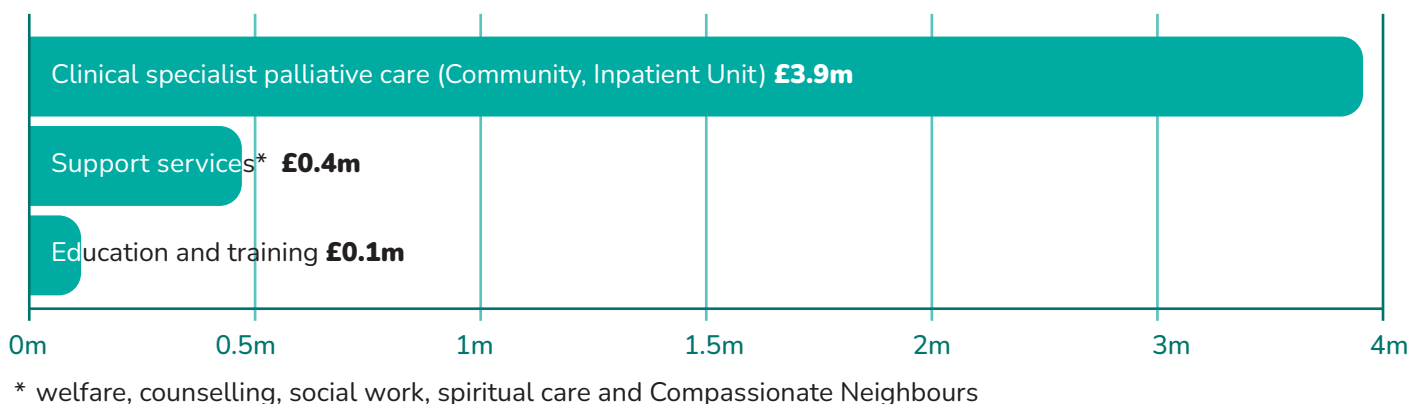
83p in every pound was available to spend on hospice clinical support and service delivery

Of every £1 raised

83p Available for charitable purposes

17p Invested to generate further income

How we delivered our mission in 2024/25



Our strategy

1 Securing income and future success

Heart of Kent Hospice can only continue to provide outstanding palliative and end-of-life care and help even more people if we have the funds to do it. We need to grow our income and secure plans to relocate to a newly built hospice in the future.

2 Extending the reach of our specialist palliative and end-of-life care

Against a backdrop of increasing demand for our services, we need to identify how we can reach more people. We will review our models of care and seek to find ways to ensure we are there for everyone who needs our support.

3 Supporting our colleagues and volunteers to achieve and thrive

Our hospice makes a real difference to local people because we have incredible teams of colleagues and volunteers. Ensuring that our colleagues and volunteers can thrive at work is a critical priority for our future success.

4 Expanding our reputation and recognition as an outstanding organisation

Quality and excellence are at the heart of everything we do, and our outstanding reputation lies at the core of achieving our strategic plan.

Providing outstanding palliative and end-of-life care in our community

£7.6m
to run the hospice and its services

1,115
referrals made to the Hospice Community Services Team

210
people cared for on the Inpatient Unit

2,153
people cared for by the Hospice Community Services Team

1,843
home visits by the Hospice Community Services Team

23,474
telephone communication by the Hospice Community Services Team

4,308
Hospice Hub attendees through the year

2,695
families and loved-ones supported through counselling, spiritual care, welfare and social work

1,360
people working in health and/or social care received palliative care training from the hospice Training and Education Team

Priority one:

Securing income and future success

In order to meet the needs of our community well into the future, we must increase our income across all areas, including fundraising, retail and statutory sources. We must also continually review our cost base.

In an increasingly competitive charity fundraising environment, we must also attract and retain more supporters, and provide opportunities to encourage people to donate to the creation of a new hospice for the people of Maidstone, and surrounding areas.



Our focus in 2024/25:

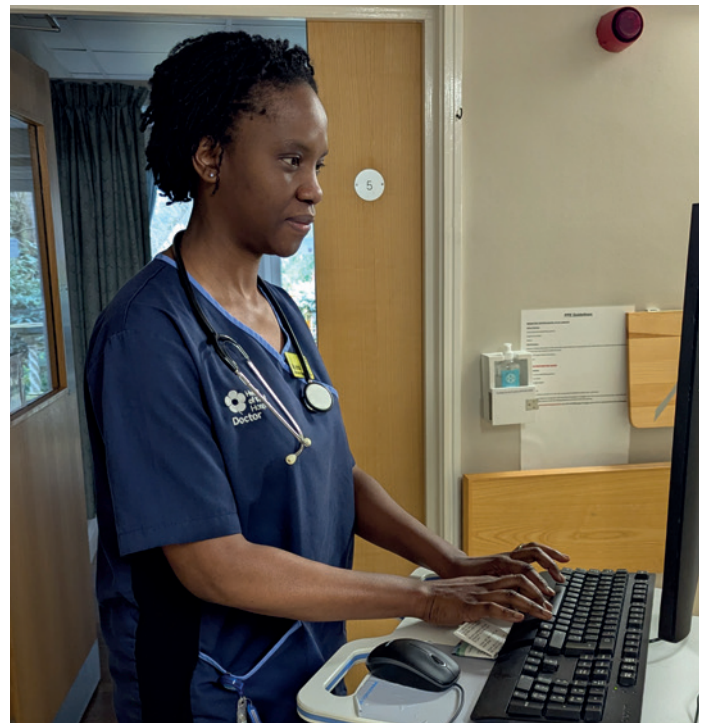
- Secure additional funding from the Integrated Care Board.
- Develop the plan to secure the planning permission for a new hospice site.
- Deliver 'Shaun the Sheep in the Heart of Kent' art trail in Summer 2024.
- Grow income in fundraising and retail.

Navigating a changing funding landscape

The shake-up within the NHS and ongoing evolution of Integrated Care Boards (ICBs) is likely to reshape how statutory funding is allocated to hospices. As a provider of essential end-of-life and palliative care, securing sufficient sustainable statutory funding remains a key focus for us. In this changing landscape, we are advocating for fairer, more consistent support, particularly as we work to compete with the NHS Agenda for Change pay rates to retain and recruit our expert workforce. This is increasingly challenging within the current financial backdrop.

We have actively sought solutions to diversify our income to reduce reliance on statutory sources. From expanding our retail and fundraising efforts, to developing community partnerships and exploring new models of care, we are focused on building long-term resilience. However, it remains the reality that we need more sustainable funding.

We continue to make the case for investment and our place in the broader system of community-based palliative care. While we remain positive about greater recognition through the Integrated Care Board (ICB), we are also determined to lead with innovation, pragmatism and a strong sense of responsibility to those we care for and the communities we support.



New hospice update

As we began the financial year, we were in the early stages of planning to relocate from our current site in Aylesford to a new site in Linton. Outline planning permission was granted at the end of 2024 and our Reserved Matters Application was approved on 10 November 2025. Plans are now underway for a significant capital campaign.

We've spent time visiting other newly built hospices to gain inspiration about designs and facilities. We have refined the internal design of our new hospice with a focus on maximising efficiency ensuring the layout will meet the

future needs of our community.

Alongside finalising the design, our priority is to secure the financial support we will need to fund the building. We received news towards the end of the year of the largest ever legacy donated to the hospice. The legacy has been left by David and Edwina Bicker. Edwina was a founder of the original hospice and the Trustees along with the Bickers executors have agreed to use the donation towards the new hospice; a fitting tribute to the donor.

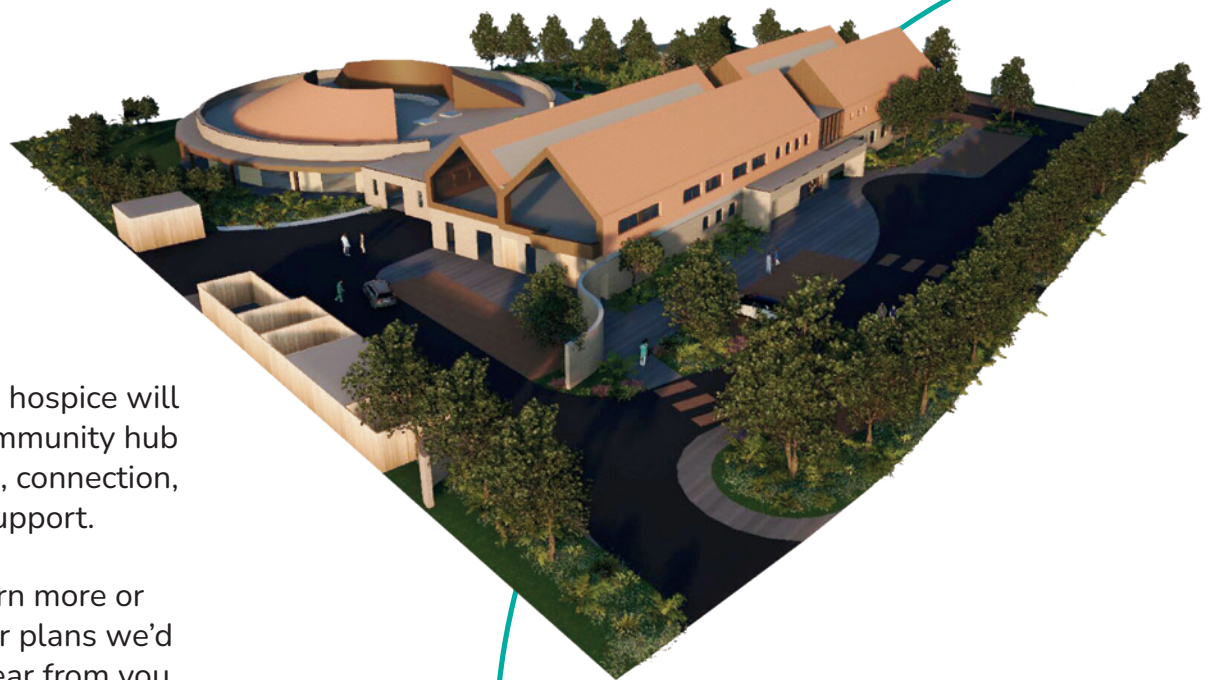
The need for a new hospice grows each week. Our current

building, which opened in 1991, no longer meets the needs of our patients and their loved ones. With no room for expansion, we are constrained by the site and unable to respond fully to increasing demand. As the population ages and more people live longer with terminal and complex illnesses, we must be ready to meet future needs.

The future hospice at Greensand Place will be at the heart of a new community in Linton, near Coxheath. It sits almost centrally within our catchment area and, alongside the existing GP practice, there are plans for development outside of our own for affordable housing, a care home and independent living units for young people with autism.

Designed to be bright, welcoming, and therapeutic, the new building will offer a tranquil environment for patients and their loved ones. It will also be more environmentally sustainable and cost-effective than our current site.





We hope the new hospice will become a true community hub – a space, for care, connection, celebration and support.

If you'd like to learn more or get involved in our plans we'd be delighted to hear from you.

Email:
futurehospice@hokh.co.uk

Summer of Shaun



During the summer of 2024 Heart of Kent Hospice hosted Shaun the Sheep in the Heart of Kent art trail in Maidstone. This, our second trail, was hugely successful, with 109 (52 large and 57 small) individually decorated 'Shaun' sculptures, each sponsored by a local company or adopted by a school or community group or charity. The free art trail ran for nine weeks from the end of June.

£265,250
raised for the hospice

The anticipation and excitement for the trail amongst our local community was evident by the record number of visitors during the opening weekend. Over 217,000 visitors of all ages from all over the world including Europe, America and New Zealand helped us fulfil our aim of making Maidstone a tourist destination during the summer of 2024.

We prioritised making the trail accessible to all and carefully selected each sculpture location with this in mind. We created a beautiful video of all the sculptures for everyone to enjoy.

We aimed to boost our local economy, increase footfall and showcase Maidstone's cultural offerings and assets. The total economic impact of the trail was valued at £6.8 million contributing £2.07 million of Gross Value Added (GVA) to the local economy.

Shaun in the Heart of Kent is a wonderful example of partnership working. We secured the support of 34 businesses as trail partners and sponsors. Throughout the project, they benefitted from a collaborative community platform for networking which has resulted in some businesses working closely together outside of the trail.

Our Learning and Community programme engaged 55 schools, community groups and other charities who fundraised,

designed and decorated their own small Shaun sculptures to keep forever. We're indebted to 90 'trail-makers' who volunteered the equivalent of 276 working days. Many trail-makers helped in our two 'Shaun shops' selling trail related merchandise to boost income for the hospice. These shops, which were gifted to the hospice for the trail, attracted 8,500 visitors.

Overall, the Shaun in the Heart of Kent art trail delivered economic impact, brought the community together and raised £265,250 for the hospice through the sale of the Shaun sculptures at auction. Thank you to everyone involved.



The Trail

Total sculptures: **109**

52 large

57 small

Visitors: **Over 217,000**

(from UK, Europe, USA, New Zealand)

Trail duration: **9 weeks** (summer 2024)

Health and wellbeing impact

Steps recorded: **59.9 million**

Miles walked: **26,900+**

Encouraged more outdoor activity:

80% said it encouraged them to get outdoors

87% said it encouraged them to walk more

69% said they spent more time with family

Economic impact

Spent more time in Maidstone: **84%**

Went shopping: **55%**

Spent money in food and drink outlets: **74%**

Visited new places in Maidstone: **69%**

Total economic impact: **£6.8 million**

Gross Value Added (GVA): **£2.07 million**

Community and engagement

Business partners/sponsors: **34**

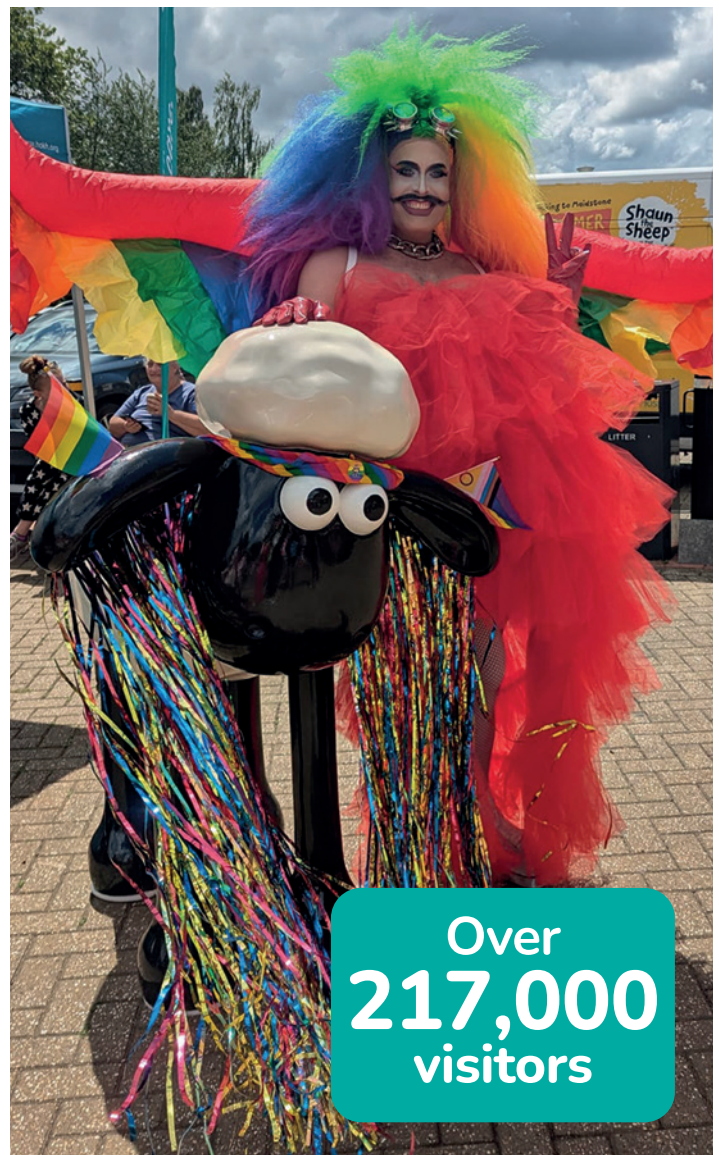
Schools and community groups involved: **55**

Volunteers ('trail-makers'): **90**

Volunteers contributed **276** working days

Visitors to Shaun shops: **8,500**

Shaun shops: **2** (gifted for the trail)

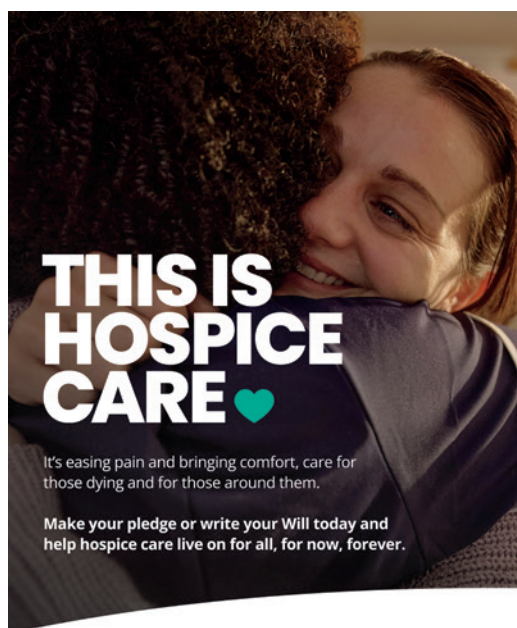


Over
217,000
visitors

The challenge of balancing charity retail supply and sustainability

Charity retail remains a vital source of income and community engagement, but it is not without its challenges. The demand for good-quality, second-hand stock is high – shoppers are increasingly discerning, seeking value, sustainability and choice. However, meeting this demand requires a steady flow of high-quality donations, which can be unpredictable. At the same time, the cost of running our shops is rising. From national increases in colleague recruitment costs to energy, insurance and operational overheads, the financial pressure is growing.

We rely on the dedication of volunteers and the generosity of donors. It's a careful balancing act: we must remain true to our values while adapting to new expectations and financial realities. As always, we are focused on finding solutions – trialling new donation campaigns, making it easier for people to give, and making sure every item donated or sold helps support hospice care in a meaningful way.



Make your pledge or find out about writing your Will at hokh.org/giftsinwills



Registered Charity No. 238154



A lasting gift: The power of Gifts in Wills

Gifts left to us in a Will are one of the most meaningful and impactful ways people choose to support our hospice. These special Gifts in Wills allow individuals to leave a lasting mark on their community, helping to ensure that others receive the same compassionate care they or their loved ones may have experienced. This year, we were fortunate to benefit from a record year for legacies – a powerful reminder of the trust people place in us and the value they see in our work. Legacy gifts help fund our services today and shape our future, offering vital financial stability at a time when other income streams can be uncertain. Every legacy, no matter the size, helps us continue to provide care, comfort, and dignity when it matters most.

We are deeply grateful for each and every one. Because each gift is so important to us we took part in the Hospice UK national legacy campaign – an awareness campaign showcasing the work of hospices and the difference made to local communities. For the first time a television advert showcased 'This is Hospice Care' and prompted people to remember their local hospice when writing their wills. This activity aired in February 2025 and a second burst happened in September 2025.

Trusts and foundations

Grants from charitable trusts and foundations remain a vital source of funding for our hospice. Whether supporting core care provision, specific projects, or capital developments, trusts funding allows us to extend our reach and impact far beyond what statutory and public fundraising alone can achieve. We are deeply grateful for the partnerships we hold with both national and local funders who share our commitment to high-quality, compassionate end-of-life care.

Promoting Hospice Growth

Fostering resilience and stability

The AKO Foundation

The Albert Hunt Trust

The Bennett Pain Charitable Trust

The Thompson6 Charitable Trust

The Hollands-Warren Fund

The Dorothy Wharton (MEH) Trust

The Remington-Hobbs/Russell Charitable Trust

The Hatch Charity Trust

The Brachers Charitable Trust

The Somerhill Charitable Trust

The Brewers Foundation

Elevating patient care

Supporting excellence of care (Grants awarded for IPU catering, IPU salary, mattress maintenance).

The James Tudor Foundation

The Kent Nursing Institute

The Maidstone Lions

The Malling District Lions

The Skipton Charitable Foundation

The Cantiacorum Foundation

The Charlotte Marshall

Charitable Trust

The Florence Nightingale Aid in Sickness Trust

Nationwide Maidstone Colleague Grant

Kings Hill Rotary Club Community Chest

The Green Hall Foundation

Compassionate Neighbours

Addressing social isolation and loneliness in our community (Grants awarded for Compassionate Neighbour Lead salary relief)

The February Foundation

The Hillier Trust

The Cobtree Charity Trust

The Souter Charitable Trust

Dementia services

Advancing dementia support (grants awarded for salary relief for Dementia Nurse Specialist and Paramedic and dementia services)

The Lawson Trust

The Childwick Trust

The Hospital Saturday Fund

Hospice Hub Clinical Drop-ins

Ensuring accessible, tailored hospice support for terminally-ill individuals

The Colyer-Fergusson Charitable Trust

Trading and retail

Upgrading shop fronts, elevating the customer experience and safeguarding vital hospice income

UK Government (TMBC UK Shared Prosperity Fund Programme)

With very special thanks

We are incredibly grateful to Masonic Lodges, who donate through the Masonic Charitable Foundation, and to the Parish Councils in our community. Your generous contributions provide essential support, comfort and care to terminally ill people who need our services.

Future focus for 2025/26

Securing income and future success

- 1** Strive to secure fair and sustainable statutory funding for the specialist palliative and end-of-life care we provide.
- 2** Engage our local community and secure the leadership donations we need to progress to the next stage of building a new hospice – Greensand Place.
- 3** Embrace the opportunities we have to grow our fundraising and retail income which funds the delivery of our hospice services.
- 4** Prioritise technological and digital transformation actions which maximise our efficiency and use of resources.

Priority two:

Extending the reach of our specialist palliative and end-of-life care

The need for our specialist palliative and end-of-life care is increasing. As the population ages the number of people aged over 85 years old is expected to double by 2040. People will be living longer in the later stages of life with multiple conditions and frailty. The hospice needs to ensure it is well placed to respond to this increase in demand and support our community.

In 2024/25 we reviewed our models of care to ensure our specialist skills are used effectively, that we continue to apply the principles of “right person, right place, right time” and we support our community to embrace their collective power in supporting those experiencing death, loss and bereavement.



Our focus in 2024/25:

- Model of Care Review and Early Identification of Palliative needs.
- Compassionate Communities accreditation, develop an action plan for Compassionate Maidstone.
- Clinical Training and Education reach extended equipping health and social care professionals with the latest knowledge and skills in palliative care.
- Accessible for all – continue to explore how we ensure our services are accessible for everyone in our local community, especially those who are under represented.

This is hospice care

“Your consistent support throughout the duration of Mum’s illness was everything we could have ever asked for. You welcomed us into the unfamiliar territory of hospice care with open arms and a guiding hand and were always at the end of the phone whenever we needed your support.

The clinical guidance paired with a clear focus in maintaining Mum’s quality of life was the exact balance we needed. Through periods of rapid progression of her illness and seemingly unbearable symptoms you always provided the reassurance and direction to help us navigate and provide the highest level of care possible. The medical interventions were plentiful, yet always at the right time with positive effects.

We would also like to express thanks to the Inpatient Team for their service, support and guidance in January 2024. The interventions made after a turbulent period made everything easier for us as caregivers and undeniably improved Mum’s quality of life.

Mum had an almost completely pain and distress free 11 months from her terminal diagnosis and this is testament to the service that the team at Heart of Kent Hospice provided.”

Our care in numbers

End-of-life care and preferred place of death

We supported **992** deaths across all service areas, an increase of **53** from the **939** supported in the previous year

Of these supported deaths: **675** (68%) were at the person's home compared to 563, (60%) in the previous year

140 (14%) were in a hospital compared to 173 (19%) in previous year

7 (1%) in another setting compared to 2 (<1%) in previous year

170 (17%) died on our Inpatient Unit compared to 201 (21%) in previous year

Where we have known the person's preferred place of death we have achieved this in 88% of cases compared to 85% the previous year.

Hospice Community Services Team (HCS Team)

2,153 people were supported by the HCS Team

1,115 referrals made to the HCS Team of which the number of referrals for community specialist palliative care support.

Inpatient Unit

210 people were cared for on our Inpatient Unit

The Hospice Hub (Monday & Thursday drop-in session 10am -12 noon)

4,308 Hospice Hub attendances

428 community clinical assessments within The Hub sessions.



Model of care review

To meet the evolving needs of patients and families, we made significant changes to our Community Services model. This included merging the Community Team and Dementia Team into a single, unified Hospice Community Service, followed by a caseload review focused on patients with dementia and those in care homes. The goal was to align clinical support with patient complexity and need.

The revised model enhances continuity of care and efficiency through having an active and open caseload approach:

- **Active caseload** – For patients needing ongoing support such as symptom control, advance care planning, or end-of-life care.
- **Open caseload** – For stable patients who can carry on independently but have the confidence to know they can contact the hospice when their needs change. This enables the team to focus on those requiring immediate input.

This approach allows more responsive, personalised care while avoiding unnecessary visits and ensuring timely intervention.

We were also pleased to secure continued funding for the Dementia Helpline, which remains a vital resource for

people living with dementia, their carers and professionals. It provides practical advice, emotional support, and helps reduce isolation. Over 143 calls were supported during this reporting period helping carers and those with dementia to navigate the health system and access services when they needed to.

Together, these changes support a more agile and compassionate service – one that helps people live well with complex, life-limiting conditions and ensures support is there when it's most needed.

Early identification of palliative needs

Around 1% of the patients on GP practice lists are likely to be in the last year of life with increasing levels of frailty, dementia, and other long-term conditions, resulting in care becoming more complex.

Our Lead Medical Consultant established a Primary Care Community of Practice to support colleagues in primary care to deliver high-quality palliative and end-of-life care. This forum continues to bring together clinical colleagues from across GP practices and Primary Care Networks (PCNs) to share case studies, clinical updates, and best practice.

Learning is then cascaded back to their teams, promoting continuous improvement and shared learning.

The Community of Practice provides a structured, supportive space that enables:

- **Earlier identification** of patients approaching end-of-life for timely, proactive care planning
- **Improved coordination** of patient care across services, reducing unnecessary hospital admissions
- **Greater confidence** and skills among primary care colleagues in managing complex symptoms and advance care planning
- **Consistent standards** and innovation, ensuring everyone can access the same standard of specialist care

This collaborative model, delivered by our hospice Lead Medical Consultant recognised the critical role of primary care in identifying and supporting people nearing the end of life. By strengthening these professional networks, patient care is enhanced through a joined-up, anticipatory, and person-centred approach.



Compassionate communities

Our hospice is leading with compassion across our community and we have several initiatives we are spearheading to create a more compassionate community for all.



“I found it really helpful. Such lovely people. There was a lot of warmth and compassion. It helped me get through my dark days. I lost my daughter, and my partner just a year ago and I get so lonely.”

Compassionate Neighbours

Compassionate Neighbours provide social and emotional support to people who have a life-limiting illness, frailty, are of advanced years or carers who are experiencing loneliness or social isolation. Our Compassionate Neighbours programme, which launched in 2020, matches people based on shared interests and experiences to help bring genuine connection.

This project has such an impact on the lives of our community members, many of whom would only have interactions with carers and medical professionals if it were not for the friendly visits made by their Compassionate Neighbour.

Isolation, the lack of companionship and social interactions can have a detrimental effect on health and wellbeing. A regular visit from a Compassionate Neighbour can be so beneficial, providing conversation, laughter, shared interests and just a caring, friendly face. Some enjoy a trip out together to a local café, garden centre or place of interest.

From being matched with someone like-minded or with shared interests, a real friendship truly grows. Being a Compassionate Neighbour is a rewarding volunteer role where genuine friendships flourish. We have 72 current matches – that’s 72 otherwise extremely vulnerable and isolated people being connected with a Compassionate Neighbour. This grassroots project creates a ripple effect of compassion and kindness across local communities.



Compassionate Café

“It gets me out of the house. If I don’t leave the house, I don’t see anybody as my house is set away from the road so nobody walks past. I didn’t see anyone at all on Saturday and Sunday. It was nice to have a chat to people.”

January 2025 we launched a Compassionate Café in the centre of Maidstone. Hosted by our trained Compassionate Neighbours, this is a safe space for those affected by any type of loss or loneliness who would like to meet others, benefit from a listening ear and make friends.

At our launch, people talked easily; laughed and connected. Telephone numbers were exchanged, and information about other local groups was shared. People fed back that they would like the Compassionate Café to run regularly, and this is now running successfully, monthly, welcoming regular attendees

and new people. For a few hours each month, we’re giving people the opportunity to connect, make friendships, and feel part of something. We know how social isolation can have a huge impact on health and wellbeing which is why we recognised the importance of hosting a Compassionate Café to support our local community which is open to anyone who is feeling isolated, lonely or grieving.

We have also launched an initiative working with local employers to develop Compassionate Workplaces. We are developing our Compassionate Conversations training which will empower employers and managers to confidently support employees pre and post bereavement. We are seeking funding for this exciting and cost-effective service that has the potential to benefit our wider community with wellbeing and grief support in their workplaces.

hokh.org/compassion

“It was lovely to meet new people at the Compassionate Café. I live on my own and can go a week without speaking to another person.”

99
referrals
received
(62 prior year)

119
face to face
assessments
(87 prior year)

58
matches made
(34 prior year)

534
contacted by
telephone
and/or email
(319 prior year)

Clinical training and education

We are proud to be a recognised provider of high-quality training, education, and placements – both for our hospice clinical colleagues and for healthcare and social care professionals across the region. We extended our reach significantly in 2024/25 by providing training to a record number of 1,360 people over 79 sessions, a 46% increase on the previous year.

We ensure our team is delivering evidence-based care

within their scope of practice, while supporting ongoing professional development. We host placements for student nurses, nursing associates, paramedics, advanced clinical practitioners, medical students, foundation year 2 (FY2) doctors, GP trainees, and social workers. We work closely with partners such as Canterbury Christ Church University, St George's University, Kent and Medway Medical School, and the Open University, and have built a strong reputation for

excellence in palliative care education. We also welcome healthcare professionals for shadowing opportunities whenever possible.

Our Education Team is a member of the West Kent Nursing Associate Consortium. We have fully integrated the nursing associate role into our Inpatient Unit – with one of our healthcare assistants recently qualifying through the two-year Nursing Associate Foundation Degree.



The Kent and Medway Collaborative was formed during the COVID pandemic, bringing together the education teams from Heart of Kent Hospice, ellenor, Pilgrims Hospices, and Kent Community Health NHS Foundation Trust (KCHFT). Supported by annual Integrated Care Board (ICB) funding, the collaborative now delivers a range of end-of-life training to healthcare professionals both virtually and in person.

A key success is the Verification of Expected Death Training, which has proven helpful with care home professionals. This training empowers staff to confidently verify expected deaths, reducing unnecessary out-of-hours calls to GPs and ambulance services and supporting a more timely, dignified response for residents and families.

Patient diversity data

We've revised all the EDI forms across the hospice, creating a unified approach enabling us to compare the diversity of our workforce with that of the populations we serve. This is helping us identify opportunities to improve representation and extend our reach.

Data is collected anonymously and reviewed annually, alongside workforce EDI data from the People Services Team. This ongoing analysis supports our wider efforts to engage with under represented communities, highlighting where we can focus future outreach and development.

Supporting people with a life-limiting illness and their loved ones in our community

At the hospice we focus on individuals, getting to know something of the different influences that shape them. We maintain links with many religious groups, gaining knowledge of different traditions, and the ability to link people back to the comfort of their roots if they wish when at end of life. We aim to be a hospice for everyone. Our Spiritual Care Team consists of people from many faiths and none, because we want to be able to have meaningful conversations with everyone. In those conversations we've learned a lot about different approaches to death, dying and bereavement – and also about the universality of the experience of grief. Whatever it is that sustains you, whatever gives you hope, meaning and comfort, we will be there for you.

The importance of psychological care

We understand that serious illness affects not just the body, but also a person's emotional and psychological wellbeing. Our counselling and social work service provides vital support for patients, families, carers and those who are bereaved, helping them navigate the complex emotions that come with loss, change and uncertainty. It's a safe, confidential space to talk, reflect and be heard.

For many, this support becomes a lifeline – easing feelings of isolation, offering moments of clarity, and helping people cope with grief. We're here to ensure that no one faces these challenges alone, and everyone feels supported with compassion and care.

Spiritual contacts
1,459
(239 previous year)

Listening beyond words:
Spiritual support for every belief

“The hospice has arranged for me to see one of their Counsellors and I'm so grateful for that and for how quickly they put it in place. I'm kind of tough on the outside, but inside, I'm in pieces.”

Counselling and Social Work contacts
1,236
supported in 2024/25
(811 previous year)

Supporting those who care

We know that caring for someone with a terminal illness can be both rewarding and exhausting. That's why we offer dedicated support for carers – whether they're partners, loved-ones or friends. Our support includes drop-in sessions, practical advice and groups where carers can connect with others who understand.

We're here to listen, offer guidance, and provide space to breathe. Our care extends beyond the patient, recognising that illness affects everyone close to them. We aim to help carers feel supported, confident and less alone on what can be a deeply emotional journey.



Helping children and young people feel less alone

At Heart of Kent Hospice, we offer a family support group with the aim of helping children and young people cope with the illness and the anticipated loss of someone close. These groups provide a safe, welcoming space where they can talk, share, create, and connect with others going through similar experiences. Led by trained colleagues and supported by volunteers, the sessions help young people understand their feelings, reduce isolation, and build resilience. For many, this gentle support makes a big difference – offering comfort, reassurance that the hospice is a warm welcoming environment, and a reminder that they're not alone in facing grief or change.



Hattie said

“The family sessions helped me to feel distracted from what was going on with Nan. The staff helped me to carve pumpkins and find stuff if I didn't know where it was. We know the hospice a lot and don't feel scared or worried about going there.”

Welfare support at end of life



Our Welfare Advisor, Sandra (pictured above) spoke at the All-Party Parliamentary Group on hospice and end-of-life care, highlighting the financial struggles faced by people with a terminal illness. She shared powerful insights and real stories from patients and families, showing how financial insecurity adds pressure during already difficult times. This session marked the start of an inquiry, with a call for evidence and further sessions planned. A final report will recommend practical actions to prevent poverty at the end of life.

When Lenny came into the Inpatient Unit, he mentioned he'd received a letter from the Department of Work and Pensions (DWP) which was worrying him. Our Welfare Advisor offered to have a look at it. Straight away, Sandra noticed that something didn't add up. She was sure that Lenny should be receiving an extra £70 a week.

Sandra also knew this could take a long time to sort out – and time was something Lenny didn't have. So, Sandra requested the help of a contact at the DWP who confirmed that Lenny had been receiving incorrect benefit payments for at least three years. A few weeks later, after Sandra had moved things along, Lenny received a call from the DWP with some incredible news. He was about to receive 12 years worth of benefit arrears totalling £37,800. Sandra also arranged for Lenny to receive an extra £3,500 in compensation from the DWP. They call it 'financial redress for maladministration'. Lenny had always felt the pinch. There was never any money spare, no matter how careful he was. As he became more unwell, he knew he needed to keep warm, but he worried that he wouldn't be able to pay the heating bills.

The money Sandra secured for him has changed Lenny's life

immeasurably. He has bought a new, adjustable bed and is able to get a good night's sleep at last. He can give his daughter money for the petrol when she visits. And he can treat his grandchild, which gives him immense joy. It also means the world to Lenny that he will now be able to make his daughters more financially secure.

Referrals
349
(247 previous year)
biggest increase was from drop-in sessions.

We helped 36% of referrals to access benefits totalling
£454,000

Future focus for 2025/26

Extending the reach of our specialist palliative and end-of-life care

- 1** Embed and expand the impact of 'Compassionate Communities' by working in partnership with local people and businesses.
- 2** Ensure we are able to respond to the growing needs and demands of our community, by identifying and responding to new opportunities to improve our care.
- 3** Explore how we can make our services more accessible for everyone, especially those who are under-represented.
- 4** Empower health and social care professionals with the latest knowledge and skills in palliative care by expanding our internal and external training and education programme.

Priority three:

Supporting our colleagues and volunteers to achieve and thrive

Our hospice makes a real difference to local people because we have incredible teams of colleagues and volunteers. Ensuring that our colleagues and volunteers can thrive at work is a critical priority for our future success.

Our focus in 2024/25:

- Ensure that new colleagues and volunteers have a smooth and enjoyable introduction to their work at the hospice.
- Demonstrate our eagerness to support growth and development through the newly embedded learning management system.
- Celebrate and enhance the benefits and values of working and volunteering at the hospice.



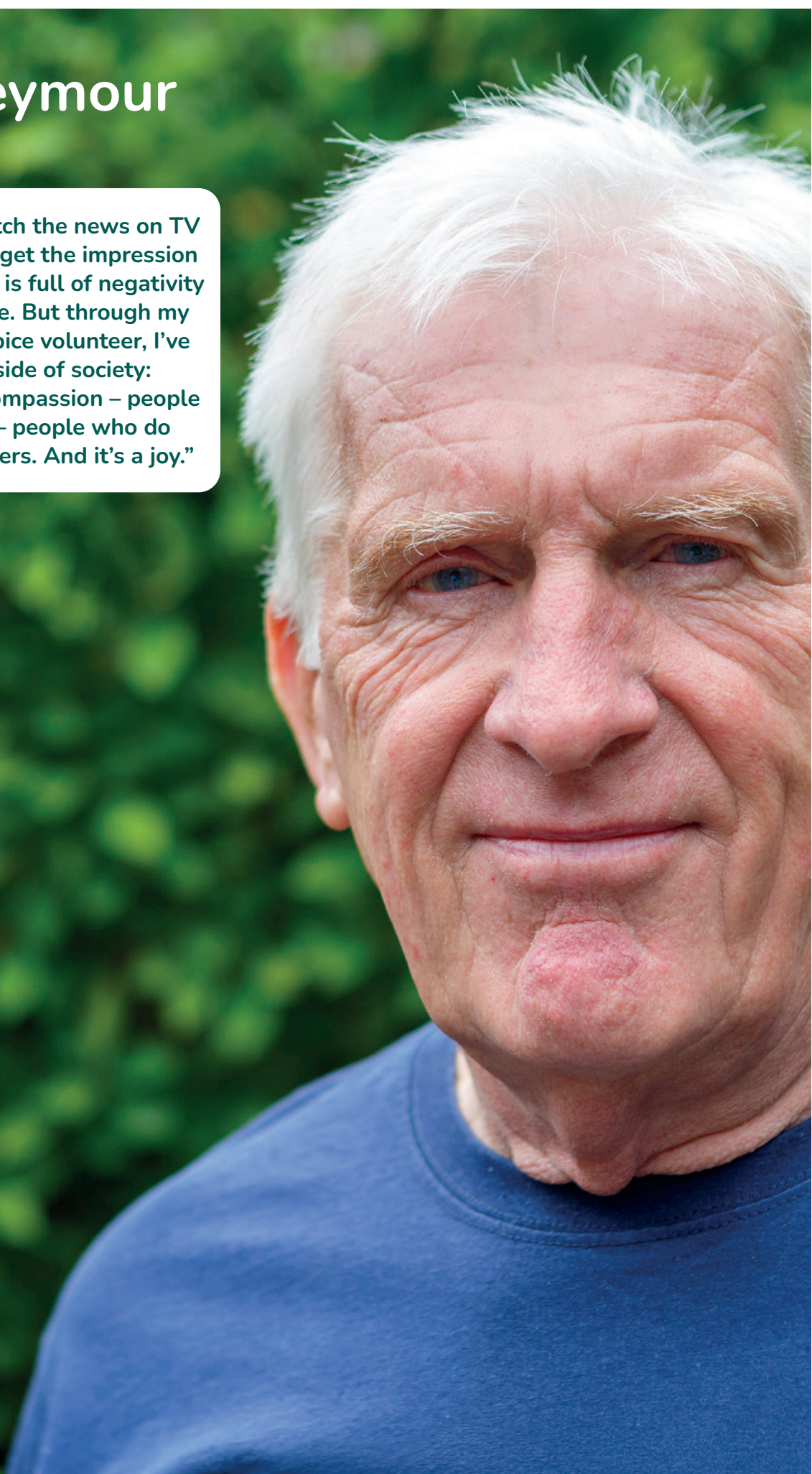
“If you are thinking about becoming a volunteer, please get in touch with the hospice. It’s probably not the place you think it is.

At the end of the day, I feel happy to have done what I’ve done – to know I’ve achieved something worthwhile and I’m giving something back. It’s great to know that my skills are valued.”

Bob Sheppard Facilities Volunteer

Bill Seymour

“When you watch the news on TV you can easily get the impression that the world is full of negativity and bad people. But through my work as a hospice volunteer, I’ve met the good side of society: people with compassion – people with sincerity – people who do care about others. And it’s a joy.”



A warm welcome that lasts

Ensuring every new joiner feels valued from day one

First impressions matter, especially in a place where people join not just for a job, but to be part of something deeply meaningful. We are committed to ensuring every new colleague and volunteer feels informed, supported and welcomed from the moment they walk through our doors. Our induction process is being continually refined to include clear guidance, warm introductions, structured orientation, and the opportunity to learn about our values, history, and the impact of our care. We want everyone to feel confident in their role, connected to our purpose, and part of a wider team that truly makes a difference. Whether someone is joining us in a clinical, support, fundraising, retail or volunteer capacity, we recognise the importance of building relationships early and making sure they feel part of our hospice community from day one.



Learning that grows with you

Empowering people through our new learning management system

Learning is central to delivering excellent care, maintaining high standards, and supporting personal growth. Our new learning management



system (LMS) Bluestream is a powerful tool that reflects our investment in every person's development – clinical and non-clinical alike. It brings together mandatory training, role-specific modules, and development opportunities in one accessible, user-friendly space. Whether someone is brushing up on essential skills, exploring a new area of interest, or preparing for a new challenge, the LMS provides flexible, self-directed learning that fits around busy roles.

More than just a place to work

Celebrating the experience and value of being part of the hospice community

Our people are our greatest strength. Every colleague plays a part in creating the warmth, compassion and professionalism that makes our hospice so special. We are proud of our culture – one that is inclusive, supportive, and underpinned by shared values. We want everyone to feel the benefits of being part of something with meaning: from strong team bonds and wellbeing initiatives, to flexible working, personal development, and recognition for a job well done. But we also know we must keep evolving. That's why we are listening more, investing in ways to better support our teams, and ensuring everyone has a voice. We're committed to celebrating what makes working or volunteering here unique – not just in words, but through action, appreciation and ongoing improvement. Because when people feel valued, they stay, they thrive, and they help us deliver outstanding care to those who need us most.

Future focus for 2025/26

Supporting our colleagues and volunteers to achieve and thrive

- 1** Support our newest colleagues and volunteers to learn about the breadth and impact of our work more easily, through an improved onboarding experience.
- 2** Attract and retain culturally aligned colleagues and volunteers by sustaining positive engagement, reward and recognition.
- 3** Support colleagues and volunteers to thrive in the workplace, thereby enhancing the support we provide to patients and their loved-ones, our donors and customers to our shops and cafe.

Priority four:

Expanding our reputation and recognition as an outstanding organisation

Quality and excellence are at the heart of everything we do, and our outstanding reputation lies at the core of achieving our strategic plan.

“The care I’ve received here has been unsurpassed. I have nothing but praise. It’s wonderful. Faultless. Care with a capital ‘C’. The hospice is one of the most beautiful places on earth.”

Ruth Spencer, patient



Our focus in 2024/25:

- Continue our quality first approach to clinical governance and safety standards, using clinical research and audit to enhance and modernise services and outcomes.
- Demonstrate our commitment to pro-actively developing our colleague experience and being recognised as a local employer of choice.
- Increase awareness and understanding of the hospice and how we help local people who can benefit from specialist palliative and end-of-life care.



Putting clinical quality first: compassionate care, safely delivered

At the heart of everything we do is a commitment to delivering the highest standards of clinical care – safely, compassionately, and consistently. Our “clinical quality first” approach ensures that every decision we make, from strategy to day-to-day practice, is grounded in what’s best for our patients and their loved-ones. We focus on evidence-based care, robust governance, and continuous learning to maintain excellence in symptom management, safety, and personalised support. Whether in our Inpatient Unit, out in the community, or through virtual care, we hold ourselves accountable to the highest standards. We also empower our teams to speak up, reflect, and improve – because true quality is never static. It evolves with our people, our practice, and the needs of those we serve. By putting clinical quality first, we protect what matters most: the dignity, comfort and wellbeing of the people in our care.

A place where people feel they matter

Working at the hospice is more than just a role – it’s being part of a compassionate community where everyone’s contribution is valued. Whether



providing direct patient care, supporting families, managing behind-the-scenes operations or volunteering time, every colleague plays a vital role in making our care possible. We are proud of our inclusive and supportive culture, where people are encouraged to bring their whole selves to work, share ideas, and grow professionally and personally. Wellbeing matters here – and we prioritise flexible working, mental health support, open communication and recognition for a job well done. We listen, we learn, and we work together to make the hospice not just a great place to receive care, but a great place to be part of every day. The colleague experience at the hospice is built on kindness, purpose and shared pride in the work we do.



We’re proud to support Pride

Each year the hospice supports Pride in June where our shops turn their window displays into colourful rainbows. Pictured here is our Senacre shop!

A big thank you to our shops, teams and volunteers who have created these fabulous colourful displays.

As hospice colleagues and volunteers, we are proud that the hospice offers open, non-judgemental and inclusive care for patients and their loved-ones. In 2024 Maidstone Pride took place and our team were there to answer any questions about our services. Shaun the Sheep was also in attendance!

How our community sees us

This year's brand tracking research confirms that Heart of Kent Hospice remains a trusted and valued part of our community. We are the most spontaneously recognised local charity in our catchment area, with 51% identifying us as their local hospice. While prompted awareness and familiarity have declined slightly, we continue to rank first for local support.

Our shops remain the most common way people support us, alongside merchandise sales and donations. The Shaun the Sheep in the Heart of Kent art trail helped raise visibility, particularly among families, and deepened public engagement.

Service awareness has improved across the board, especially for dementia and welfare support – though these still remain less well known. People continue to view the hospice as essential, compassionate, and well-run, though trust scores dipped slightly this year.

Retail footfall has declined in line with wider shopping trends, but online engagement, including awareness of our eBay store, is slowly growing. Gifts in Wills also remains a promising area, with 13% of people with Wills considering a gift.

Looking ahead, we'll focus on raising awareness of under-recognised services, boosting online engagement and regular giving, and continuing to demonstrate the real, lasting impact of our care.



Future focus for 2025/26

Expanding our reputation and recognition as an outstanding organisation

- 1** Share our excellent clinical governance and safety standards through our patient and community engagement, marketing and relationship building.
- 2** Demonstrate our commitment to colleague wellbeing and positive recruitment by seeking and achieving recognised employer accreditations.
- 3** Increase awareness of Heart of Kent Hospice to reach more patients and supporters and to attract and retain wonderful colleagues and volunteers.



Financial review

(A company limited by guarantee)

For the year ended 31 March 2025

Financial review

As reported in the Consolidated Statement of Financial Activities for the year, the hospice's results for the year ended 31 March 2025 show a surplus of £3.85m, which compared to a surplus of £0.36m for the previous year.

Total income for the year was £11.4m, compared to £6.9m in 2023/24 which is reflective of a record year for legacies and Gifts in Wills. This included a legacy of an unprecedented value of £3.0m, alongside some additional funding from the ICB of £49k and government capital funding via Hospice UK of £101k in the year. This has meant the 2024/25 financial results have been substantially better than the £0.78m budgeted deficit.

The grant received from Kent and Medway Integrated Care Board (ICB) under a grant agreement of £1,318k (2024: £1,269k), amounted to approximately 17% of total expenditure (2024: 19%), which means that the hospice must obtain at least 83% of its funding from other sources. The Kent and Medway Hospices continue to collaborate together, meeting regularly with the Kent and Medway ICB to demonstrate the need for additional and appropriate levels of funding for the adult specialist and palliative end-of-life care services that we provide.

An analysis of the income for the year is shown in notes 3 to 5 of the accounts.

The resources expended in delivering our charitable activities and services (note 7) increased by nearly 5% year on year, reflecting the investments made in service development, the impact of wage inflation, and the increase in the number of patients and loved-ones we are reaching.

Of the funds raised, £3.1m (2024: £2.4m) was utilised in generating the funds themselves (note 6), the majority of which relates to the increasing operating costs of the two trading subsidiaries.

A deficit budget of £1.178m has been set for 2025/26 and the challenge facing the hospice in the short term is how, in a difficult fundraising environment coupled with a challenging economy, we can be agile enough to adapt and tailor our services to manage the increasing demands of our community as well as return to an operationally balanced financial position. Maintaining the quality of our care and our person-centred approach will remain paramount.

Whilst the last two financial years have been successful in terms of delivering surpluses and hence strengthening our reserves

position, the hospice has a detailed five-year forward-looking plan to deliver on. This embeds a clear strategy that, by being proactive in managing our costs, maximising our profitability in retail and growing our supporter base, as well as exploring new sources of income, we can aim to bring future years' budgets to a sustainable position.

This five-year plan also incorporates an ambitious capital campaign, with the aim to build on our designated reserve, to achieve our longer-term plan to relocate to a new hospice in Linton.

Reserves policy

The Trustees have reviewed the reserves policy, and they continue to require the hospice to hold free reserves to ensure both the financial security and the operational flexibility of the hospice. The target for the reserves (as measured by the unrestricted general fund, including undesignated fixed assets offset by long term creditors) was last reviewed in 2024 and was set to a target of between £1.8m to £2.7m based on estimated costs of closure for the hospice and its trading subsidiaries.

On 31 March 2025, the Charity's free reserves amount to £4.3m (2023/24: £3.91m) with consolidated designated funds of £6.4m (2023/24: £2.91m). The consolidated restricted funds on 31 March 2025 were £0.01m (2023/24: £0.02m). Total consolidated funds on 31 March 2025 were £10.7m (2023/24: £6.84m).

The budgeted deficit for 2025/26 of £1.178m would result in general reserves of £3.1m as of 31 March 2026. Following the approval of the 2025/26 budget, we were grateful to be informed that we would receive £0.29m of one-off, government capital funding via Hospice UK, which will provide essential support for our services. However, to ensure long-term sustainability and to continue meeting the growing needs of our community, further grant funding from the Kent and Medway ICB remains crucial.

The Trustees will continue to monitor the appropriateness of the reserves policy to ensure the hospice holds adequate free reserves to ensure both the financial security and the operational flexibility of the hospice.

Going Concern

Accounting standards require the Trustees to consider the appropriateness of the Going Concern basis when preparing the financial statements. The Trustees confirm that they consider that the Going Concern basis remains appropriate.

The Trustees regard the Going Concern basis as remaining viable as the charity has adequate resources to continue in operational existence for the foreseeable future on the basis that there are adequate cash reserves within the charity.

Financial instruments

The group's financial instruments at the balance sheet date comprised listed investments and cash and liquid resources. The main purpose of these financial instruments is to manage finance and maximise returns for the group's operations. The group has various other financial instruments such as trade debtors and trade creditors, that arise directly from its operations. The main risks arising from the group's financial instruments are interest rate risk of which is managed by reviewing the exposure to interest rate fluctuations.

Investment policy and returns

The Trustees are permitted by the Charity's Memorandum and Articles of Association to invest the monies of the Trust not immediately required for its own purpose in such investments, securities or property as may be thought fit.

Investment movements in the year ended 31 March 2025 was a loss of £776 (2024: £32,829 gain) of which rising economic uncertainty, including concerns over UK fiscal policy, global trade tensions, the potential for new tariffs, as well as inflation and slow growth, contributing towards the end of the financial year.

Our expectation is that, our investment will generate a positive return over the longer term and the portfolio valuation and performance are monitored closely.

The Executive Team regularly monitors the cashflow requirements of the charity and reports to Trustees, striving to secure competitive interest rates where applicable by considering the most appropriate vehicles for investing the funds, taking account of interest rates, credit and interest rate risks and terms to maturity.

The hospice has adopted an ethical investment approach to ensure that its investments do not conflict with its aims and therefore precludes direct or indirect investments in companies that generate revenues from tobacco or arms and those companies whose principal activity is either gambling or pornography.

As well as considering ethical investments the hospice will also consider the Environmental, Social and Governance (ESG)

stewardship policies of investments to ensure that these factors as well as financial return are used to evaluate potential stocks for a portfolio.

Quality assurance

Following a routine inspection by the Care Quality Commission (CQC) in February 2017, the hospice achieved an overall rating of Outstanding, gaining Outstanding in Caring and Responsive domains and Good in Safe, Effective and Well-Led. Monthly CQC monitoring started during the pandemic and is continuing as their model of inspection on need and risks identified. We participated in a Direct Monitoring Assessment with the CQC in January 2023 and the inspector found no reason, at that time, for further regulated activity or inspection.

The new CQC New Single-assessment Framework was introduced in late 2023.

Patient/carer feedback is a vital part of learning and improvement for hospice; this is gathered via:

- Website feedback form.
- Involve wellbeing surveys.
- Patient and Carer engagement group surveys linked to CQC "I" statements.
- Feedback from Medical Examiner referrals.
- General hospice enquiries email.
- Direct patient feedback from patients/carers at Board.

Patient services report quarterly to the Clinical Governance Committee.

Monthly clinical management and medicines management meetings take place covering topics such as safeguarding, audit, affirmations, adverse comments, complaints, and incidents. An Audit and Research Group meets every eight weeks to review and monitor the core clinical audits and to ensure the implementation of any actions or learning from audit findings. It also encourages each clinical team to undertake at least two service specific audits per year. Monthly spot checks are carried out across clinical areas to ensure quality and standards are maintained.

The hospice submits quarterly data to Hospice UK's patient safety benchmarking programme. The data submitted and benchmarked includes bed data, patient falls, pressure ulcers and medicine errors and we are benchmarked as a small hospice (10 beds).

Financial review (continued)

(A company limited by guarantee)

For the year ended 31 March 2025

Hospice UK benchmarking outcomes are shared at Clinical Governance Committee.

The hospice has established a development framework to support colleagues' personal career development. Members of the senior nursing teams are supported to undertake Non-Medical Prescribing and Advanced Assessment Skills training. We are also supporting two Healthcare Assistants to complete Nurse Associate Training, which is a route into becoming a qualified registered nurse.

In the Monckton Education Centre, we deliver the hospice's external and internal programme of high-quality palliative and end-of-life care training courses. Bespoke training is carried out in nursing and care homes by the Education Team; this training can be supported by "experience days" on the Inpatient Unit.

Senior Clinicians attend the Kent and Medway ICB End of Life Group meetings monthly to work in collaboration with other agencies to formulate and implement a Kent and Medway ICB End of Life Strategy.

The Patient Services Director and Head of Hospice Dementia Team attend all relevant sector groups including a Dementia Strategic Implementation Group, a Cancer Improvement Group, plus Frailty and Ageing Well strategy meetings.

Information technology

The Head of Information and Quality Assurance is responsible for the management of the range of hospice databases and works closely with Heads of Departments and the hospice's IT provider to facilitate best use and safe storage of available data.

This year we once again successfully met the Data Security and Protection toolkit requirements and the annual assessment we submitted was approved. This enables us to use NHS Connecting for Health systems and services such as N3. This will enable the medical and clinical teams at the hospice to share and access relevant patient information in a secure manner and improve the overall coordination of care.

Clinical colleagues are using Integrated Palliative Care Outcome Scale (iPOS) to measure patient outcomes which will enable the hospice to report into Public Health England's new Palliative Care Information Framework. Outcome measures are used to triage patients according to their needs.

We report internally on key performance indicators monthly and share information with Kent and Medway ICB as required for the grant in aid agreement.

Legal structure and governance

(A company limited by guarantee)

For the year ended 31 March 2025

Structure, governance and management

Heart of Kent Hospice is a charity, number 298164 and a company limited by guarantee, number 2184005; its Memorandum and Articles of Association constitute the governing documents.

The principal areas of charitable activity are the provision of specialist palliative care services in the heart of Kent area, including the boroughs of Maidstone and Tonbridge and Malling. These services include an Inpatient Unit, Outpatient services, support therapies, a Hospice Hub programme, community services, dementia services, counselling, education and training, and spiritual care.

The governing document

The hospice is a company limited by guarantee and does not have share capital. The constitution of the hospice is set out in the Articles of Association which were last reviewed and revised in May 2021.

The governance structure

During this financial year the Board of Trustees had four main sub committees which met quarterly: Clinical Governance Committee, Finance and Income Generation Committee, Governance, Risk and Remuneration Committee and a Nominations and Trustee Development Committee. Meetings are held both in person and electronically as required.

The Board of Trustees is responsible and accountable for the governance of the hospice; it met six times in the year. The Chief Executive is responsible for the day-to-day management of the hospice.

Charity governance code

The Board has full and careful regard to the Charity Governance Code and uses the code as its principal benchmark. The Board is committed to continuous improvement and development.

Recruitment and appointment of new Trustees

One of the roles of the Governance, Risk and Remuneration Committee is to recruit, induct and train Trustees and this is delegated to the Nominations and Trustee Development Committee. The Board actively promotes diversity and seeks Trustees from a range of backgrounds. Advertisements for new

Trustees are published on relevant websites, on the hospice's website, through local networks and in the hospice newsletter if appropriate. Only Members of the hospice who are elected by the Board of Trustees can be nominated as Trustees by the Governance, Risk and Remuneration Committee. The Trustees are elected for a term of three years, renewable for a further three years. The Chair is appointed for a five-year term.

Policies and procedures for the induction and training of Trustees

The Hospice UK document entitled 'Induction of New Trustees' as well as the Charity Trustee welcome pack published by the Charity Commission are used as models for Trustee induction and training. All Trustees receive a thorough induction and seek to ensure through the governance structure that the Board complies with best practice requirements.

Trustee code of conduct

The Board adheres to the hospice's Code of Conduct for colleagues and volunteers. The Board takes its leadership role in upholding the values of the hospice very seriously. The Board has adopted the hospice's culture framework and conducts itself in line with the hospice's behavioural standards.

The wider network

The hospice is a member of Hospice UK. The Chair and Chief Executive attend Hospice UK meetings with other Chairs and Chief Executives in the South-East Region and the Chief Executive networks both locally and nationally. The management team has well developed network links with a wide range of external organisations locally and nationally.

Risk management

A risk management framework is agreed annually by the Board. This includes a Risk Register which has been developed to identify risks, mitigations, and contingency actions. This Risk Register is reviewed and updated monthly by the Executive Team. Risks are reviewed quarterly by the relevant Trustee Sub Committee and key strategic risks are reviewed quarterly by the Board of Trustees. On an annual basis, the Board reviews the entire risk register, agrees a risk threshold and prepares a risk appetite statement.

Legal structure and governance (continued)

(A company limited by guarantee)

For the year ended 31 March 2025

It is recognised that this system can only provide reasonable (not absolute) reassurance that major risks are being adequately managed.

This year, the main potential risks have been influenced by wage increase pressures and the cost-of-living crisis in the UK. The main risks monitored are those that could lead to:

- Financial sustainability being compromised;
- Patient experience diminishing; and
- Strategic goals not being achieved

Colleagues and Trustees have worked closely together in the year to mitigate these risks. Financial risks are mitigated by regularly reviewing our financial position through management accounts, cash flow modelling, reforecasting, and setting long term financial plans.

Maintaining levels of patient experience is always a priority and the feedback we receive demonstrates that we are able to achieve high levels of patient satisfaction. The hospice uses the Outcome Assessment and Complexity Collaborative (OACC) tools to assess patient outcomes. Strategic goals are set annually, and progress is monitored at Executive and Board meetings.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit. The charitable purpose of Heart of Kent Hospice is stated in its 'Objectives and Activities' and the Trustees ensure that this purpose is carried out for the public benefit by working to these objectives.

Income Generation

The Finance and Income Generation Committee meets quarterly to oversee income generation activity and monitor progress.

Expenditure on raising funds (not including non-charitable trading expenses – note 7) increased by 5.8% in the year ended 31 March 2025 compared to the prior year, predominantly due to increased level of resource as vacancies held in the previous year were filled. Expenditure also included investment in Professional Fundraisers who recruited players to our weekly lottery, as noted below.

Fundraising regulation and compliance

Heart of Kent Hospice is registered with the Fundraising Regulator and is an organisational member of the Chartered Institute of Fundraising. Our lottery is registered with The Gambling Commission. Our supporter promise is published on our website and outlines our commitment to our supporters.

Each year members of the fundraising and finance team are invited to attend regulation and compliance training (compulsory for new starters and every three years for the rest of the team). This training includes guidance on how to identify and support vulnerable people. All team members are encouraged and expected to keep abreast of specific changes, risks and opportunities in their specialist area.

The hospice monitors and manages its fundraising regulation and compliance through a combination of training programmes, internal processes, internal audits and quarterly management reporting. This takes into consideration the collection and use of personal data, frequency of contact, how to identify and support vulnerable people and compliance and regulatory requirements.

All colleagues are held accountable to our supporter promise and organisational behaviour framework.

In adherence with the Fundraising Regulator's best practice (the code of Fundraising Practice), and General Data Protection Regulations (GDPR), our fundraising communications schedule is overseen by the Deputy Director of Fundraising and Communications and the Data Protection Officer (DPO).

The hospice is registered with the Fundraising Preference Service and received two requests in the year ended 31 March 2025.

Other regulatory bodies that the hospice adheres to are the Committee of Advertising Practice (CAP), which governs non broadcast advertisements, sales promotions and direct marketing communications and the Privacy and Electronic Communications Regulations (PECR), which is law in the UK and has rules on marketing calls, emails, texts and faxes, the use of cookies, keeping communication services secure and customer privacy.

During 2024/25 all fundraising was conducted by the hospice's team of employed fundraisers. No complaints were received with regards to fundraising throughout the course of the year.

36 Commercial Participator Agreements were in place during 2024/25, 34 of which were for the Shaun the Sheep in the Heart of Kent art trail where corporate partners offered services or sponsorship to support the hospice to deliver the trail and the print and promotion around it.

Special acknowledgement to colleagues and volunteers

The Board of Trustees wishes to record its appreciation of the hospice's highly committed colleagues and volunteers who generously and unstintingly give their time, skills, and expertise. The continued commitment to make a difference in such challenging times is inspiring.

The hospice is fortunate to have in the region of 600 volunteers who make a contribution to the hospice which is worth over £1m in time. The hospice could not survive in its present form without the support of its generous volunteers who offer their contributions in all aspects of hospice activity; this includes clinical, administrative and income generation roles.

The Board is grateful for the valuable help and assistance received from its professional advisers.

Remuneration policy

The remuneration of key management colleagues is reviewed by a subcommittee of the hospice's Board of Trustees to ensure it is competitive with the charity sector, proportionate to the complexity of each role and in line with our charitable objectives and values. A review is conducted at least every three years of pay, terms and conditions of all colleagues to ensure they are fair and competitive.

The Trustees present their annual report together with the audited financial statements of the group and the company for the year to 31 March 2025. The Trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), 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).

Statement of Trustees' responsibilities

(A company limited by guarantee)

For the year ended 31 March 2025

The Trustees (who are also directors of The Heart of Kent Hospice for purposes of company law) are responsible for preparing the Trustees' 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 charitable company and the group and of the income resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

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

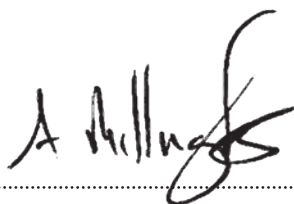
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial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

Disclosure of information to auditor

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 group's auditor is unaware, and
- that 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 group's auditor is aware of that information.

Approved by order of the members of the board of Trustees and signed on their behalf by:



Ann Millington
Chair

Date: 6 November 2025

Independent auditors report

(A company limited by guarantee)

For the year ended 31 March 2025

Independent auditors report to members and Trustees of Heart of Kent Hospice Report on the audit of the financial statements

Opinion

We have audited the group and parent company financial statements of The Heart of Kent Hospice (“the charitable company”) for the year ended 31 March 2025, which comprise the Consolidated Statement of Financial Activities, the 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group’s and of the parent charitable company’s affairs as at 31 March 2025 and of the group’s 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 the charity’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 annual report, other than the financial statements and our auditor’s report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees’ report, which includes the directors’ report and strategic report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors’ report and the strategic report included within the trustees’ report have been prepared in accordance with applicable legal requirements.

Independent auditors report (continued)

(A company limited by guarantee)

For the year ended 31 March 2025

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report or strategic report included within the trustees' report.

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

- the parent charitable company has not kept adequate and proper accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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 trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We obtained an understanding of the legal and regulatory framework applicable to the preparation of the financial statements of the group and the procedures that management adopt to ensure compliance. We have considered the extent to which non-compliance might have a material effect on the financial statements, and in particular we identified the Companies Act 2006, FRS102 and the Charities SORP.

We have also identified other laws and regulations that do not have a direct effect on the amounts or disclosures within the financial statements, but for which compliance is fundamental to the charity's operations and to avoid material penalties, including GDPR, Care Quality Commission (CQC) regulation, Gambling Commission regulation, health and safety and employment law.

Having reviewed the laws and regulations applicable to the group, we designed and performed audit procedures to obtain sufficient appropriate audit evidence. Specifically, we:

- Selected a team with sector experience to perform the audit;
- Obtained an understanding of the charity's procedures for ensuring compliance with laws and regulations;
- Obtained and reviewed internal policy and procedure documents;
- Made enquiries of management and the trustees regarding whether they were aware of any actual or suspected incidences of non-compliance with laws and regulations;
- Obtained and reviewed meeting minutes;
- Obtained and reviewed correspondence with, and reports from, the key regulators;
- Interviewed key staff responsible for compliance with the CQC regulations;
- Reviewed legal expenses accounts for indications of any possible non-compliance; and
- Reviewed the completeness and accuracy of any disclosures made in the financial statements.

We assessed the susceptibility of the group's financial statements to material misstatement, including considering how fraud might occur. This was performed by:

- Making an assessment of the group's control environment, systems and controls including identifying any weaknesses and considering the risk of management override of controls;
- Considering whether there are any incentives or opportunities for management to manipulate financial results;
- Obtaining and evaluating the trustees' assessment of the risk of fraud, and enquiring as to whether they are aware of any actual or suspected incidences of fraud;
- Reviewing the accounting policies and accounting estimates for signs of management bias; and
- Identifying key risks relating to irregularities as relating to the completeness, classification and cut-off of income, the accounting for legacies receivable, the identification and application of restricted funds, and the risk of management override of controls.

We then designed audit procedures in response to the risks identified, including performing substantive testing on all material income streams, reviewing the accounting policy for legacies and examining supporting documentation such as wills and executor correspondence, performing substantive testing on restricted funds and reviewing journal entries and key accounting estimates.

The audit has been planned and performed in accordance with auditing standards, however, because of the inherent limitations of audit procedures there remains a risk that we will not detect all irregularities, including those that may lead to material misstatements in the financial statements. There are inherent difficulties in detecting irregularities, and irregularities that result from fraud may be more difficult to detect than irregularities that result from error, for example due to concealment, override of controls, collusion or misrepresentations. In addition, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less audit procedures are able to identify it.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



J Mathieson FCA

Senior Statutory Auditor

For and on behalf of: Lindeyer Francis Ferguson Limited

Statutory Auditors

Date: 1 December 2025

North House,
198 High Street,
Tonbridge, Kent TN9 1BE

Consolidated statement of financial activities

(Including income and expenditure account)

For the year ended 31 March 2025

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from:					
Donations and legacies	3	7,722,179	239,010	7,961,189	4,364,227
Charitable activities	4	599,140	–	599,140	508,640
Other trading activities	5	2,745,312	–	2,745,312	1,937,637
Interest receivable		106,872	–	106,872	115,511
Other		1,347	–	1,347	1,245
Total		<u>11,174,850</u>	<u>239,010</u>	<u>11,413,860</u>	<u>6,927,260</u>
Expenditure on:					
Raising funds	6	3,109,949	–	3,109,949	2,365,043
Charitable activities	7	4,313,272	135,120	4,448,392	4,239,116
Total		<u>7,423,221</u>	<u>135,120</u>	<u>7,558,341</u>	<u>6,604,159</u>
Net income before net gains on investments		3,751,629	103,890	3,855,519	323,101
Net (losses) / gains on investments		(776)	–	(776)	32,829
Net income before taxation		3,750,853	103,890	3,854,743	355,930
Taxation credit		–	–	–	–
Net income		3,750,853	103,890	3,854,743	355,930
Transfers between funds		111,936	(111,936)	–	–
Net movement in funds		<u>3,862,789</u>	<u>(8,046)</u>	<u>3,854,743</u>	<u>355,930</u>
Reconciliation of funds:					
Total funds brought forward:		6,825,510	15,153	6,840,663	6,484,733
Total funds carried forward		<u>10,688,299</u>	<u>7,107</u>	<u>10,695,406</u>	<u>6,840,663</u>

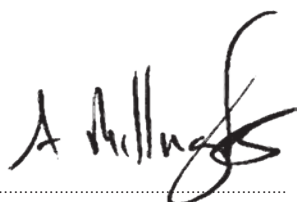
The consolidated statement of financial activities includes all gains and losses recognised in the year.

Consolidated and charity balance sheets

For the year ended 31 March 2025

	Note	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Fixed assets					
Tangible assets	11	2,925,811	2,831,693	2,819,683	2,747,770
Intangible assets	12	14,966	18,390	14,966	18,390
Fixed asset investments	13	532,499	333,275	532,502	333,278
		<u>3,473,276</u>	<u>3,183,358</u>	<u>3,367,151</u>	<u>3,099,438</u>
Current assets					
Stocks: finished goods for resale		13,061	187,246	–	–
Debtors	14	4,646,524	1,932,730	5,020,491	2,081,688
Cash on deposit		500,000	500,000	500,000	500,000
Cash at bank and in hand		2,617,769	1,748,726	2,098,777	1,386,769
		<u>7,777,354</u>	<u>4,368,702</u>	<u>7,619,268</u>	<u>3,968,457</u>
Creditors: amounts falling due within one year	15	<u>(555,224)</u>	<u>(711,397)</u>	<u>(396,617)</u>	<u>(372,890)</u>
Net current assets		<u>7,222,130</u>	<u>3,657,305</u>	<u>7,222,651</u>	<u>3,595,567</u>
Total net assets		<u>10,695,406</u>	<u>6,840,663</u>	<u>10,589,802</u>	<u>6,695,005</u>
The funds of the charity:					
Unrestricted funds		10,688,299	6,825,510	10,582,695	6,679,852
Restricted funds		7,107	15,153	7,107	15,153
	16	<u>10,695,406</u>	<u>6,840,663</u>	<u>10,589,802</u>	<u>6,695,005</u>

The financial statements were approved by the Board of Trustees on 6 November 2025 and were signed on its behalf by:



Ann Millington
Chair

Company number: 2184005

Consolidated statement of cash flows

(A company limited by guarantee)

For the year ended 31 March 2025

	Note	2025 £	2024 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	1,224,082	(744,863)
Cash flows from investing activities:			
Purchase of tangible fixed assets		(262,470)	(212,681)
Purchase of intangible fixed assets		(3,000)	(9,730)
Proceeds from sale of tangible fixed assets		–	9,603
Purchase of investments		(200,000)	–
Bank interest received		106,872	115,511
Cash placed on deposit		–	–
Net cash used in investing activities		(358,598)	(97,297)
Change in cash and cash equivalents in the year		865,484	(842,160)
Cash and cash equivalents at the beginning of the year		1,742,505	2,584,665
Cash and cash equivalents at the end of the year	B	2,607,989	1,742,505
A. Reconciliation of net income to net cash flow from operating activities			
Net income		3,854,743	355,930
Depreciation, amortisation and profit / loss on disposal		174,778	133,859
Gains / (losses) on investments		776	(32,829)
Bank interest received		(106,872)	(115,511)
(Increase) / decrease in stocks		174,185	(174,000)
(Increase) in debtors		(2,713,794)	(969,637)
Increase / (decrease) in creditors		(159,734)	57,325
Net cash provided by operating activities		1,224,082	(744,863)
B. Analysis of cash and cash equivalents			
Cash at bank and in hand		2,617,769	1,748,726
Overdraft facility repayable on demand		(9,780)	(6,221)
		2,607,989	1,742,505
C. Analysis of changes in net debt			
	Cash at bank	Overdrafts	Liquid investments
At the beginning of the year	1,748,726	(6,221)	333,275
Cash flows	869,043	(3,559)	200,000
Gains / (losses)	–	–	(776)
At the end of the year	2,617,769	(9,780)	532,499

Notes to the financial statements

(A company limited by guarantee)

For the year ended 31 March 2025

1. Accounting policies

Basis of preparation of the financial statements

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)" (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The financial statements are presented in pounds sterling and rounded to the nearest pound.

Basis of consolidation

The consolidated financial statements incorporate those of the charity and its subsidiary undertakings on a line-by-line basis. All intra-group transactions and balances are eliminated on consolidation.

Going concern

The Trustees have assessed that there are no significant doubts over the charity's ability to continue as a going concern. As a result, the financial statements have been prepared on a going concern basis.

Income

Income from donations and grants is recognised when the charity is entitled to the funds, the receipt is probable and the amount can be measured reliably. For donations, this is usually on receipt. Donations under Retail Gift Aid and the associated tax recoverable are accounted for at the point of sale of the items donated. For grants, this is usually when a formal offer is made in writing, unless the grant contains terms and conditions outside of the charity's control which must be met before the charity is entitled to the funds. Where grants are received in response to a proposal including a budgeted timescale, such that the timescale for the expenditure is implicit in the grant agreement, the

income is recognised in accordance with that timescale.

Income from legacies is reviewed on a case-by-case basis and recognised when the charity is entitled to the income, receipt is probable and the amount can be measured reliably. It is normally considered probable when there has been a grant of probate, the executors have established that there are sufficient assets in the estate to pay the legacy, and any conditions attached are within the control of the charity or have already been met.

Income from charitable activities is recognised in the period in which the relevant services are delivered. Income from performance-related grants in connection with the charitable activities is recognised to the extent that the performance-related criteria have been met.

Donated goods are measured at their estimated fair value, and donated facilities and services are measured on the basis of the amount the charity would pay in the open market for the facilities or services. The services of volunteers are not included in the financial statements. Due to the impracticalities inherent in estimating the fair value of a large volume of low-value items, donated goods for resale through the charitable group's shops are not recognised on receipt, but the value generated from their sale is included in income when the items are sold.

Expenditure

Expenditure is recognised on the accruals basis when a present legal or constructive obligation exists at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and the amount can be estimated reliably, and includes irrecoverable VAT.

Expenditure on charitable activities includes the cost of services and support costs.

Expenditure on raising funds includes fundraising and publicity costs as well as the costs incurred by the non-charitable subsidiaries in pursuit of their trading activities.

Staff costs are allocated on the basis of time spent.

Support costs are those functions that assist the work of the charity but do not directly relate to the charitable activities, and include governance costs. They are allocated across the activities on a pro-rata basis with reference to the attributable direct and staff costs, being a measurement considered to be representative of the usage of the costs.

Notes to the financial statements (continued)

(A company limited by guarantee)

For the year ended 31 March 2025

1. Accounting policies (continued)

Fund accounting

General funds are unrestricted funds which can be used in accordance with the charitable objectives at the discretion of the Trustees.

Designated funds are a subset of unrestricted funds and represent funds set aside by the Trustees for specific future purposes or projects.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated realisable value of each asset over its expected useful life, as follows:

Freehold land	Not depreciated
Freehold buildings	2% on the straight line basis
Motor vehicles	25% on the straight line basis
Fixtures and fittings	20-30% on the straight line basis
Computer equipment	33% on the straight line basis

Assets costing less than £1,000 are not capitalised but are recognised as expenditure in the Statement of Financial Activities in the year incurred. Assets in the course of construction are carried at cost and are not depreciated until they are brought into use.

Intangible fixed assets and amortisation

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided at rates calculated to write off the cost less estimated realisable value of each asset over its expected useful life, as follows:

Website	33% on the straight line basis
---------	--------------------------------

Investments

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

Listed investments are initially recognised at their transaction cost and are subsequently measured at fair value at each reporting date, with changes in fair value recognised in the statement of financial activities.

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

Financial instruments

The group only has financial instruments of a kind that qualify as basic financial instruments. Short term basic financial instruments such as trade debtors and trade creditors are initially recognised at transaction value and subsequently measured at their settlement value. Long term basic financial instruments such as bank loans initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash held on deposit with an initial maturity of more than three months is shown on the Consolidated and Charity Balance Sheets as Cash on deposit and excluded from Cash and cash equivalents in the Consolidated Statement of Cash Flows.

Leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

Payments to defined contribution pension schemes are charged as an expense as they fall due.

The group also contributes to the National Health Service Scheme for some of its employees. However, the scheme is a multi employer defined benefit scheme and the group is therefore unable to identify its share of the underlying assets and liabilities.

Critical accounting estimates and areas of judgement

The main area of estimation uncertainty is in relation to the measurement of legacies receivable (Note 14) where the legacy represents a share of the residue of the estate. The estimate is made based on the percentage share given by the Will, information obtained from the executors as to the likely net value of the estate, and making allowance for expected taxes and fees.

2. Status

The Heart of Kent Hospice is a charitable company limited by guarantee incorporated in England and Wales. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is Preston Hall, Aylesford, Kent ME20 7PU.

3. Income from donations and legacies

	2025 £	2024 £
Donations	1,672,457	1,320,044
Legacies	4,513,659	1,555,249
Grants	1,419,063	1,272,617
Trusts and foundations	324,082	187,834
Gifts in kind	31,928	28,483
	<u>7,961,189</u>	<u>4,364,227</u>

In the preceding period, income of £123,383 was restricted.

4. Income from charitable activities

	2025 £	2024 £
Performance-related grants and contractual income		
Inpatient services	307,384	274,012
Family support services	5,000	12,350
Community services	214,415	179,336
Education	72,341	42,942
	<u>599,140</u>	<u>508,640</u>

In the preceding period, income of £Nil was restricted.

5. Income from other trading activities

	2025 £	2024 £
Income from fundraising events and sponsorship	444,665	129,293
Rent	1,200	1,200
Income from non-charitable trading activities:		
Lottery income	340,918	339,570
Trading shops and eBay sales	1,958,529	1,467,574
	<u>2,745,312</u>	<u>1,937,637</u>

Notes to the financial statements (continued)

(A company limited by guarantee)

For the year ended 31 March 2025

6. Expenditure on raising funds

	2025 £	2024 £
Fundraising staff costs	491,401	440,891
Direct costs of fundraising	209,328	153,073
Support costs allocation	291,897	249,174
Expenditure on non-charitable trading activities:		
Lottery expenditure	146,552	152,864
Trading shops and eBay expenditure	1,212,975	685,468
Shops staff costs	725,389	672,396
Shops depreciation and disposals	32,407	11,177
	3,109,949	2,365,043

7. Expenditure on charitable activities

	Direct costs 2025 £	Direct staff costs 2025 £	Support costs 2025 £	Total 2025 £
Inpatient services	210,293	1,780,058	829,102	2,819,453
Family support services	14,160	265,555	116,518	396,233
Community services	10,748	761,155	321,544	1,093,447
Education	697	97,611	40,951	139,259
	235,898	2,904,379	1,308,115	4,448,392
	Direct costs 2024 £	Direct staff costs 2024 £	Support costs 2024 £	Total 2024 £
Inpatient services	177,234	1,656,026	769,070	2,602,330
Family support services	11,489	234,585	103,230	349,304
Community services	16,410	769,856	329,846	1,116,112
Education	672	120,053	50,645	171,370
	205,805	2,780,520	1,252,791	4,239,116

In the preceding period, expenditure of £107,766 was applied to restricted funds.

8. Support costs

	2025 £	2024 £
Support costs comprise:		
Support staff costs	800,202	721,749
PR and communications	81,917	75,695
Premises costs	97,682	127,928
Insurance	25,466	22,830
Repairs and maintenance	64,686	76,397
IT costs	137,495	124,797
Depreciation and disposals	142,371	122,682
Other overheads	62,271	66,134
Governance costs:		
Legal and professional fees	177,297	148,893
Audit and accountancy	10,625	14,860
	<u>1,600,012</u>	<u>1,501,965</u>

9. Net income

	2025 £	2024 £
Net income is stated after charging/(crediting):		
Government grants	(1,419,063)	(1,268,767)
Operating lease rentals	278,085	251,129
Auditors' remuneration for audit services	16,650	18,350
Auditors' remuneration for non-audit services	2,700	2,870
	<u>2,700</u>	<u>2,870</u>

As permitted by s408 Companies Act 2006, the parent charity has not presented its own Statement of Financial Activities and related notes. The parent charity's net movement in funds for the year was £3,894,792 (2024: £320,133).

Notes to the financial statements (continued)

(A company limited by guarantee)

For the year ended 31 March 2025

10. Staff cost

	2025 £	2024 £
Gross salaries	4,288,525	4,020,898
Employer's National Insurance contributions	385,352	355,819
Employer's pension contributions	247,494	238,839
	<u>4,921,371</u>	<u>4,615,556</u>

The average number of persons employed by the group during the year was:

	2025 No.	2024 No.
Fundraising	13	12
Inpatient services	45	43
Family support services	10	9
Community services	18	15
Education	2	3
Management	28	25
Finance	5	5
Catering	10	9
Trading subsidiaries	38	35
Dementia	4	5
Care homes	–	1
	<u>173</u>	<u>162</u>

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

	2025 No.	2024 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	2	3
In the band £80,001 - £90,000	1	–
In the band £90,001 - £100,000	1	2
In the band £100,001 - £110,000	1	–

Pension contributions in respect of higher paid staff totalled £19,898 (2024: £18,364).

During the year, 14 (2024: 14) employees were accruing pensions under the defined contribution pension scheme, 92 (2024: 92) under the NEST scheme, 28 (2024: 31) under the NHS multi-employer defined benefit pension scheme, and 1 (2024: 1) under a Clerical Medical scheme.

11. Tangible fixed assets

Group	Hospice building freehold £	Freehold property £	Motor vehicles £	Fixtures, fittings and equipment £	Assets under construction £	Total £
Cost						
At 1 April 2024	3,965,443	532,469	74,018	768,547	21,000	5,361,477
Additions	–	–	–	116,031	146,439	262,470
Disposals	–	–	–	(10,125)	–	(10,125)
At 31 March 2025	3,965,443	532,469	74,018	874,453	167,439	5,613,822
Depreciation						
At 1 April 2024	1,820,388	85,196	35,331	588,869	–	2,529,784
Charge for the year	76,782	10,649	10,110	68,761	–	166,302
Eliminated on disposal	–	–	–	(8,075)	–	(8,075)
At 31 March 2025	1,897,170	95,845	45,441	649,555	–	2,688,011
Net book value						
At 31 March 2025	2,068,273	436,624	28,577	224,898	167,439	2,925,811
At 31 March 2024	2,145,055	447,273	38,687	179,678	21,000	2,831,693

The net book value of assets held for fundraising in the trading subsidiaries as opposed to direct charitable activities was £106,128 (2024: £83,923).

Charity	Hospice building freehold £	Freehold property £	Motor vehicles £	Fixtures, fittings and equipment £	Assets under construction £	Total £
Cost						
At 1 April 2024	3,965,443	532,469	9,500	456,912	21,000	4,985,324
Additions	–	–	–	61,420	146,439	207,859
Disposals	–	–	–	(4,125)	–	(4,125)
At 31 March 2025	3,965,443	532,469	9,500	514,207	167,439	5,189,058
Depreciation						
At 1 April 2024	1,820,388	85,196	9,500	322,470	–	2,237,554
Charge for the year	76,782	10,649	–	48,515	–	135,946
Eliminated on disposal	–	–	–	(4,125)	–	(4,125)
At 31 March 2025	1,897,170	95,845	9,500	366,860	–	2,369,375
Net book value						
At 31 March 2025	2,068,273	436,624	–	147,347	167,439	2,819,683
At 31 March 2024	2,145,055	447,273	–	134,442	21,000	2,747,770

The value included in freehold property for land that is not depreciated is £126,300 (2024 restated: £126,300). No depreciation will be charged on assets under construction until these assets are complete and brought into use.

Barclays Bank plc have a charge over the property known as Old Transport Building Royal British Legion, Aylesford, Kent ME20 7NL.

Notes to the financial statements (continued)

(A company limited by guarantee)

For the year ended 31 March 2025

12. Intangible assets

	Website £
Group and Charity	
Cost	
At 1 April 2024	19,460
Additions	3,000
At 31 March 2025	<u>22,460</u>
Amortisation	
At 1 April 2024	1,070
Charge for the year	6,424
At 31 March 2025	<u>7,494</u>
Net book value	
At 31 March 2025	<u>14,966</u>
At 31 March 2024	<u>18,390</u>

13. Investments

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Market value at 1 April 2024	333,275	300,446	333,275	300,446
Additions	200,000	–	200,000	–
Disposals	–	–	–	–
Gains / (losses) on investments	(776)	32,829	(776)	32,829
Market value at 31 March 2025	<u>532,499</u>	<u>333,275</u>	<u>532,499</u>	<u>333,275</u>

The charity's listed investments are accumulation units held in Newton Sustainable Growth and Income Fund for Charities. Listed investments are held at fair value.

The charity also has investments of £3 (2024: £3), representing holdings of 100% of the ordinary share capital in Heart of Kent Hospice Promotions Limited and Heart of Kent Hospice Trading Limited. Both subsidiaries are companies limited by share capital registered in England and Wales with number 3233475 and 2547686 respectively. The registered office of each subsidiary is the same as the parent entity. Their principal activities are the running of a lottery and the operation of trading shops respectively. Both are included in the consolidated financial statements.

The financial results of the subsidiaries for the year were:

	Income £	Expenditure and tax £	Profit / (loss) £	Net assets £
Heart of Kent Hospice Promotions Limited	340,918	(340,918)	–	3,106
Heart of Kent Hospice Trading Limited	1,962,721	(2,002,775)	(40,054)	102,501

14. Debtors

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Trade debtors	63,103	65,648	57,561	40,714
Amounts owed by group undertakings	–	–	490,283	262,983
Other debtors	77,164	73,926	60,819	53,192
Prepayments and accrued income	4,506,257	1,793,156	4,411,828	1,724,799
	<u>4,646,524</u>	<u>1,932,730</u>	<u>5,020,491</u>	<u>2,081,688</u>

Prepayments and accrued income includes legacies receivable amounting to £4,284,776 (2024: £1,610,807).

15. Creditors: amounts falling due within one year

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Bank overdrafts	9,780	6,221	–	–
Trade creditors	188,018	192,502	131,976	107,140
Other creditors	91,685	93,335	90,424	88,442
Accruals and deferred income	265,741	419,339	174,217	177,308
	<u>555,224</u>	<u>711,397</u>	<u>396,617</u>	<u>372,890</u>

The movement on deferred income is as follows:

	2025 £	2024 £
Group		
Balance at 1 April 2024	268,540	182,186
Released to income	(268,540)	(182,186)
Received in the year and deferred	141,663	268,540
Balance at 31 March 2025	<u>141,663</u>	<u>268,540</u>

Deferred income relates to multi-year grant income which has been recognised in accordance with the accounting policy above, contractual income in advance and lottery subscriptions paid in advance.

Notes to the financial statements (continued)

(A company limited by guarantee)

For the year ended 31 March 2025

16. Movement on funds

Current year	Brought forward £	Income £	Expenditure and tax £	Transfers, gains/losses £	Carried forward £
Restricted funds					
Capital projects	2,957	100,564	(1,478)	(101,064)	979
Inpatient unit	–	32,813	(26,116)	(5,872)	825
Dementia and Community Team	394	32,120	(28,617)	–	3,897
Family Support Team & Living Well	10,444	38,812	(49,256)	–	–
MND support group	–	10,200	(10,200)	–	–
Other	1,358	24,501	(19,453)	(5,000)	1,406
	<u>15,153</u>	<u>239,010</u>	<u>(135,120)</u>	<u>(111,936)</u>	<u>7,107</u>
Unrestricted funds					
General fund	3,913,692	8,871,211	(4,937,157)	(3,569,700)	4,278,046
Designated funds:					
Fixed asset fund	2,766,160	–	(142,371)	210,860	2,834,649
Trading subsidiary fund	145,658	2,303,639	(2,343,693)	–	105,604
New hospice fund	–	–	–	2,970,000	2,970,000
Legacy equalisation reserve	–	–	–	500,000	500,000
	<u>6,825,510</u>	<u>11,174,850</u>	<u>(7,423,221)</u>	<u>111,160</u>	<u>10,688,299</u>
Total funds	<u>6,840,663</u>	<u>11,413,860</u>	<u>(7,558,341)</u>	<u>(776)</u>	<u>10,695,406</u>

New hospice fund

The New Hospice Fund has been established to hold amounts designated by the Trustees for the construction of a new hospice building. Transfers between the Unrestricted General Fund and the New Hospice Fund, represent the designation of funds made during the year.

Legacy Equalisation Reserve

The Legacy Equalisation Reserve has been established by the trustees to help manage the volatility of legacy income, which can vary significantly from year to year and is often uncertain in timing and value. The reserve is intended to smooth income and ensure the charity can maintain consistent funding for its core programmes and activities.

Transfers to and from the reserve are made at the discretion of the trustees, based on the levels of legacy income received and projected, in comparison to budgeted expectations.

The trustees consider the current balance of £500,000 to be appropriate given the charity's reliance on legacy income and the inherent uncertainty of timing and amounts receivable.

Prior year	Brought forward £	Income £	Expenditure and tax £	Transfers, gains/losses £	Carried forward £
Restricted funds					
Capital projects	1,676	18,573	(945)	(16,347)	2,957
Inpatient unit	500	2,920	(3,420)	–	–
Dementia and Community Team	–	3,452	(3,058)	–	394
Family Support Team & Living Well	10,375	85,754	(85,685)	–	10,444
MND support group	–	10,200	(10,200)	–	–
Other	14,582	2,484	(4,458)	(11,250)	1,358
	<u>27,133</u>	<u>123,383</u>	<u>(107,766)</u>	<u>(27,597)</u>	<u>15,153</u>
Unrestricted funds					
General fund	3,631,519	4,986,363	(4,591,994)	(112,196)	3,913,692
Designated funds:					
Fixed asset fund	2,716,220	–	(122,682)	172,622	2,766,160
Trading subsidiary fund	109,861	1,817,514	(1,781,717)	–	145,658
	<u>6,457,600</u>	<u>6,803,877</u>	<u>(6,496,393)</u>	<u>60,426</u>	<u>6,825,510</u>
Total funds	<u>6,484,733</u>	<u>6,927,260</u>	<u>(6,604,159)</u>	<u>32,829</u>	<u>6,840,663</u>

Fixed asset fund

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 the parent charity's intangible and tangible fixed assets. The transfers between the unrestricted general fund, restricted funds and the fixed asset fund represents the additions in the year. Other movements are for depreciation and profit or loss on disposal.

17. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Current year			
Fixed assets	3,473,276	–	3,473,276
Net current assets	7,215,023	7,107	7,222,130
	<u>10,688,299</u>	<u>7,107</u>	<u>10,695,406</u>
Proir year			
Tangible fixed assets	3,183,358	–	3,183,358
Net current assets	3,642,152	15,153	3,657,305
	<u>6,825,510</u>	<u>15,153</u>	<u>6,840,663</u>

Notes to the financial statements (continued)

(A company limited by guarantee)

For the year ended 31 March 2025

18. Pension commitments

The charity operates three (2024: three) defined contribution pension schemes available to the majority of its permanent employees. The scheme funds are administered by Trustees of the pension scheme and are independent of the charity's finances. During the year, £94,499 (2024: £92,715) employers' contributions were made. Contributions totalling £Nil (2024: £Nil) were payable to the funds at the balance sheet date and are included in other creditors.

The charity also makes contributions to the National Health Service Schemes for certain employees. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. The schemes 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 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:

a) 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 31 March 2024, 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 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.

b) 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 2020. The results of this valuation set the employer contribution rate payable from April 2024 to 23.7% of pensionable pay.

The hospice's contributions to the National Health Service Scheme represent a minor proportion of the payments into the scheme. The charge included within the Consolidated Statement of Financial Activities includes contributions payable to this scheme of £153,941 (2024: £146,729). The hospice is not responsible for the liabilities of other entities in the Scheme.

(A company limited by guarantee)

For the year ended 31 March 2025

19. Financial commitments

At 31 March 2025 the group and parent charity were committed to future minimum lease payments under non-cancellable operating leases as follows:

	2025 £	2024 £
Parent charity:		
Due within one year	2,883	–
Due in two to five years	7,687	–
Due in more than five years	–	–
	<hr/>	<hr/>
Group:		
Due within one year	225,483	183,106
Due in two to five years	274,971	157,229
Due in more than five years	4,000	–
	<hr/>	<hr/>

20. Capital commitments

	2025 £	2024 £
Group and Charity		
Contracted but not provided for at the balance sheet date	–	19,020
	<hr/>	<hr/>

21. Related party transactions

The key management personnel are considered to be the Trustees and the executive team.

There were no Trustees' remuneration nor other benefits during the current or preceding period. Expenses totalling £Nil (2024: £175) were reimbursed to no (2024: 2) Trustee(s) in relation to membership subscriptions and conference attendance.

Trustee donations were £8,753 (2024: £4,214) in aggregate.

The total amount of employee benefits (including employer's pension contributions) received by key management personnel during the year was £568,128 (2024: £545,253).

22. Post balance sheet events

During the year on 20 June 2024, outline planning was received for the building of a new hospice in Linton, Maidstone. Subsequently, a Reserved Matters Application was approved on 10 November 2025. Plans are now underway for a significant capital campaign. The financial effect of these events cannot yet be reliably estimated.

Legal and administrative details

(A company limited by guarantee)

For the year ended 31 March 2025

Patron	Geraldine Allinson OBE	Independent Auditors	Lindeyer Francis Ferguson Limited North House, 198 High Street Tonbridge Kent TN9 1BE
Trustees	Ms A Millington (Chair) Mrs S G St C Cooper Mrs S J Hayes Dr N Jegard Mrs D J Jones Mr K A Kassem-Toufic Mr M J Kirby Miss S Pain Ms R Parris Ms E Price Mr H T B Smith Mr S Thompson Ms L Vui (resigned 4 November 2024) Ms E J B Barrington-White	Principal Bankers	Barclays Bank plc Fremlin Walk Maidstone Kent ME14 1QG
		Investment Advisers	Newton Investment Management BNY Mellon Centre 160 Queen Victoria Street London EC4V 4LA
		Solicitors	Cripps LLP Number 22 Mount Ephraim Tunbridge Wells Kent TN4 8AS
Company registered number	2184005		
Charity registered number	298164		
Registered office	The Heart of Kent Hospice Preston Hall Aylesford Kent ME20 7PU		
Chief Executive Officer	Ms A Kelly, Chief Executive Officer		
Senior Management Team	Mrs K Harrison, Patient Services Director Dr G Parker MBBS (Land) FRCP, Lead Medical Consultant Mrs M Sullivan, (Interim) Income Generation Director Mrs K Dackombe, Resources and Operations Director		

At Heart of Kent Hospice, we firmly believe that every person deserves compassionate and specialist care when there is no cure for their illness.

We treat each individual as the unique and special person they are. All our services are tailored to help people live as fully and as well as possible.

Our local community's compassion, kindness, and generosity power our services and ensure we can help, support, and comfort those in need. As an independent charity, we rely on your support.

Thank you.

[hokh.org](https://www.hokh.org)

Heart of Kent Hospice,
Preston Hall, Aylesford,
Kent, ME20 7PU
01622 792200



Registered with
**FUNDRAISING
REGULATOR**

RCN 298164

THE HEART OF KENT HOSPICE

England & Wales - Charity number 298164

Accounts

Company number: 2184005
Charity number: 298164



THE HEART OF KENT HOSPICE

(A COMPANY LIMITED BY GUARANTEE)

**TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2024

THE HEART OF KENT HOSPICE

(A company limited by guarantee)

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THE HEART OF KENT HOSPICE

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 MARCH 2024

Patron	Geraldine Allinson OBE
Trustees	Ms A Millington (Chair) Mrs S G St C Cooper Mrs S J Hayes (appointed 13 November 2023) Mrs E M Howe OBE (resigned 13 November 2023) Mr G Hunter (Deputy Chair) (resigned 13 November 2023) Dr N Jegard Mrs D J Jones (appointed 13 November 2023) Mr K A Kassem-Toufic Mr M J Kirby (appointed 13 November 2023) Miss S Pain Ms R Parris Ms E Price Mr H T B Smith Mr S Thompson Ms L Vui Ms E J B White
Company registered number	2184005
Charity registered number	298164
Registered office	The Heart of Kent Hospice Preston Hall Aylesford Kent ME20 7PU
Chief Executive Officer	Ms R Street
Senior Management Team	Mrs K Harrison, Patient Services Director Dr G Parker MBBS (Land) FRCP, Lead Medical Consultant Ms A Kelly, Income Generation Director Mrs K Dackombe, Finance Director
Independent Auditors	Lindeyer Francis Ferguson Limited North House, 198 High Street Tonbridge Kent TN9 1BE
Principal Bankers	Barclays Bank plc Fremlin Walk Maidstone Kent ME14 1QG
Investment Advisers	Newton Investment Management BNY Mellon Centre 160 Queen Victoria Street London EC4V 4LA

THE HEART OF KENT HOSPICE

(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 MARCH 2024**

Solicitors

Cripps LLP
Number 22
Mount Ephraim
Tunbridge Wells
Kent
TN4 8AS

THE HEART OF KENT HOSPICE

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2024

The Trustees present their annual report together with the audited financial statements of the group and the company for the year to 31 March 2024. The Trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), 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).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Heart of Kent Hospice is a charity, number 298164 and a company limited by guarantee, number 2184005; its Memorandum and Articles of Association constitute the governing documents.

The principal areas of charitable activity are the provision of specialist palliative care services in the heart of Kent area, including the boroughs of Maidstone and Tonbridge and Malling. These services include an Inpatient Unit, Outpatient services, support therapies, a Hospice Hub programme, community services, dementia services, counselling, education and training, and spiritual care.

The governing document

The Hospice is a company limited by guarantee and does not have share capital. The constitution of the Hospice is set out in the Articles of Association which were last reviewed and revised in May 2021.

The governance structure

During this financial year the Board of Trustees had four main sub committees which met quarterly: Clinical Governance Committee, Finance and Income Generation Committee, Governance, Risk and Remuneration Committee and a Nominations and Trustee Development Committee. Meetings are held both in person and electronically as required.

The Board of Trustees is responsible and accountable for the governance of the Hospice; it met six times in the year. The Chief Executive is responsible for the day-to-day management of the Hospice.

Charity governance code

The Board has full and careful regard to the Charity Governance Code and uses the code as its principal benchmark. The Board is committed to continuous improvement and development.

Recruitment and appointment of new Trustees

One of the roles of the Governance, Risk and Remuneration Committee is to recruit, induct and train Trustees and this is delegated to the Nominations and Trustee Development Committee. The Board actively promotes diversity and seeks Trustees from a range of backgrounds. Advertisements for new Trustees are published on relevant websites, on the Hospice's website, through local networks and in the Hospice newsletter if appropriate. Only Members of the Hospice who are elected by the Board of Trustees can be nominated as Trustees by the Governance, Risk and Remuneration Committee. The Trustees are elected for a term of three years, renewable for a further three years. The Chair is appointed for a five-year term.

Policies and procedures for the induction and training of Trustees

The Hospice UK document entitled 'Induction of New Trustees' as well as the Charity Trustee welcome pack published by the Charity Commission are used as models for Trustee induction and training. All Trustees receive a thorough induction and seek to ensure through the governance structure that the Board complies with best practice requirements.

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Trustee code of conduct

The Board adheres to the Hospice's Code of Conduct for colleagues and volunteers. The Board takes its leadership role in upholding the values of the Hospice very seriously. The Board has adopted the Hospice's culture framework and conducts itself in line with the Hospice's behavioural standards.

The wider network

The Hospice is a member of Hospice UK. The Chair and Chief Executive attend Hospice UK meetings with other Chairs and Chief Executives in the South-East Region and the Chief Executive networks both locally and nationally. The management team has well developed network links with a wide range of external organisations locally and nationally.

Risk management

A risk management framework is agreed annually by the Board. This includes a Risk Register which has been developed to identify risks, mitigations, and contingency actions. This Risk Register is reviewed and updated monthly by the Executive Team. Risks are reviewed quarterly by the relevant Trustee Sub Committee and key strategic risks are reviewed quarterly by the Board of Trustees. On an annual basis, the Board reviews the entire risk register, agrees a risk threshold and prepares a risk appetite statement.

It is recognised that this system can only provide reasonable (not absolute) reassurance that major risks are being adequately managed.

This year, the main potential risks have been influenced by wage increase pressures and the cost-of-living crisis in the UK.

The main risks monitored are those that could lead to:

- Financial sustainability being compromised;
- Patient experience diminishing; and
- Strategic goals not being achieved

Colleagues and Trustees have worked closely together in the year to mitigate these risks. Financial risks are mitigated by regularly reviewing our financial position through management accounts, cash flow modelling, reforecasting, and setting long term financial plans.

Maintaining levels of patient experience is always a priority and the feedback we receive demonstrates that we are able to achieve high levels of patient satisfaction. The Hospice uses the Outcome Assessment and Complexity Collaborative (OACC) tools to assess patient outcomes. Strategic goals are set annually, and progress is monitored at Executive and Board meetings.

OBJECTIVES AND ACTIVITIES

The Hospice's objects, as set out in the Articles of Association, are the relief of the needs of those who are suffering from a chronic or terminal illness, disability, or disease and in particular, but not so as to limit the generality of the foregoing, by:

- a) the provision of an Inpatient Unit, Outpatient centre, community service and bereavement service in the Kent and Medway area for such persons and their relatives and carers;
- b) to conduct, promote or encourage research into the care and treatment of patients with progressive life-threatening diseases and to publish the beneficial results of any research undertaken by the Charity;

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c) to promote the principles and practice of palliative care throughout the wider community by assisting in multi professional training and education;

d) to provide and facilitate the provision of physical, social, and psychological care and spiritual help for patients, relatives or carers under the care of the Charity and for the colleagues and volunteers working with them.

Our vision

Our vision is that everyone living with a terminal illness in our community will achieve the best quality of life. We seek to achieve this by enabling people with a terminal illness in our community to live in comfort, with independence and dignity to the end of their lives, and to support those closest to them.

Our values and culture framework

Our culture, values and behaviours guide our decision making and how we conduct ourselves in our work. They ensure all patients, and their families receive the very best care day in and day out. Our values are Compassion, Integrity, Respect and Teamwork.

The Hospice has a culture framework which celebrates our values and helps colleagues and volunteers put these values into action. The culture framework includes four core behaviours; I care, I own, I learn, and I improve, with associated behavioural standards which run through how we recruit, develop, and retain our team.

Diversity and inclusion

The Hospice is committed to being an equal opportunities employer. This means that decisions concerning all aspects of employment will be based on the needs of the organisation and not any assumptions based on sex, race, age, disability, gender reassignment, sexual orientation, married or civil partnership status, pregnancy or maternity, religion, or belief. All colleagues are required to abide by equality, diversity, and inclusion principles as set out in our policies and code of conduct.

The Hospice is committed to providing skilled and compassionate care in a supportive environment based on mutual respect and trust, which recognises and values the difference of every individual, be they patient, carer, colleague volunteer or visitor. The Chief Executive is the executive sponsor of this work and is supported by colleagues in the Belonging Working Group.

During the year, the Hospice has been accredited as working towards being a Dementia Friendly Employer, a Disability Confident Committed Employer and has signed up to the Charter for Employers Committed to Mental Health.

Two colleagues are trained and appointed as the Hospice's Freedom to Speak up Guardians and they support colleagues to speak up if they feel that they are unable to do so through other routes.

Our strategic priorities

In the financial year, we were concluding our work against the Charity's five strategic priorities for the period from 1 April 2021 to 31 March 2024:

- 1. Local care:** We will establish a model of local Hospice support throughout our communities.
- 2. Flexible, person-centred care:** We will develop our services so that they can meet a wide range of patient and family needs.

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3. Specialist care: We will provide specialised care to every patient and maintain our reputation as a centre of excellence.

4. Skilled, compassionate care: We will be the organisation of choice for colleagues and volunteers.

5. Care for our cause: We will enable our local community to regard the Hospice as the local cause to support.

During the year colleagues from across the Hospice collaborated to develop our next three-year strategy which was approved by the Board of Trustees and officially launched in April 2024.

Our 2024-2027 strategy will focus on four priority areas:

1. Securing income and future success

Heart of Kent Hospice can only continue to provide outstanding palliative and end-of-life care and help even more people if we have the funds to do it. We need to grow our income and secure plans to relocate to a newly built Hospice.

2. Extending the reach of our specialist palliative and end-of-life care

Against a backdrop of increasing demand for our services, we need to identify how we can reach more people. We will review our models of care and seek to find ways to ensure we are there for everyone who needs our support.

3. Supporting our colleagues and volunteers to achieve and thrive

Our Hospice makes a real difference to local people because we have incredible teams of colleagues and volunteers. Ensuring that our colleagues and volunteers can thrive at work is a critical priority for our future success.

4. Expanding our reputation and recognition as an outstanding organisation

Quality and excellence are at the heart of everything we do, and our outstanding reputation lies at the core of achieving our strategic plan.

More information can be found at: www.hokh.org/our-vision-and-strategy/

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Patient services provided

Heart of Kent Hospice is a specialist palliative care and end of life care provider, which offers support to patients with terminal illnesses including those with dementia. It has beds for up to ten inpatients and an outpatient Hospice Hub for all patients and carers to access. The Hospice currently cares for over 1,000 patients and their carers at any one time in the community.

The Hospice has embedded the use of outcome measures throughout all clinical areas using the Outcome Assessment Complexity Collaborative (OACC) national toolkit. This enables the clinical teams to understand better the patient and carer needs and measure individual and service outcomes for patients. The tools used as part of the OACC suite enables support and care to be delivered "at the right time, in the right place by the right person."

The Hospice offers a range of services which include:

Inpatient services

The Inpatient Unit has ten single ensuite bedrooms and provides 24 hour, seven day a week care, for patients, all year round. Patients are looked after in the Inpatient Unit for a variety of reasons including:

- Short term assessment and management of patients with complex and/or unstable needs, be they physical, psychological, social or spiritual
- Rehabilitation and adaptation to changes in function associated with disease progression and/or treatment
- Care in last days of life
- Care after death

Community Based Services

The Hospice provides specialist palliative care advice and support for patients, carers, and healthcare professionals in the community. These teams have an in-depth specialist knowledge of the assessment and management of physical, psychological, emotional, social, and spiritual needs to reduce symptoms, suffering and distress, including complex symptom management.

The teams are also able to support in analysing complex clinical decisions where medical and personal interests are finely balanced by applying relevant ethical and legal reasoning alongside clinical assessment. They also provide multidisciplinary specialist advice, support, education, and training to the wider care team who is providing direct core level palliative care to the person.

These teams include:

Hospice Community Team

The Hospice Community Team provides high quality, seven day a week, specialist palliative care advice for those patients with a progressive life limiting illness who are being cared for at home and to offer support to their family, carers, and friends. The team has a skill mix of Palliative Care Consultants, Doctors in training placements, Nurses, Paramedics and Healthcare Assistants, all who contribute to patients and carers being seen at the right time, in the right place by the right person.

They provide:

- Clinical assessment and ongoing support to maximise symptom control
- Twice weekly drop-in sessions via the Hospice Hub drop-in services, outpatient appointments, home visits, telephone, or video assessments
- Advance care planning and support for patients with their preferences and wishes
- Advice and support for external healthcare professionals

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Hospice Dementia Team

The Hospice Dementia Team takes referrals for dementia patients early on in their illness to enable advance care planning and offering support and education to patients and carers. The Head of the Dementia Team is supported by an experienced Clinical Nurse Specialist, Staff Nurse, and two Healthcare Assistants, and they all support patients and carers in their own homes or in care homes.

They provide:

- A monthly Dementia Café held in Magnolia Place Hospice Hub
- The Making Memories® programme, which is a weekly, six-week dementia programme for patients and their carers
- A carer support group providing pre-bereavement and post-bereavement support for carers
- 24-hour Dementia Helpline
- Formal and informal training for carers and healthcare professionals

The Care Home Team

Funding from the Kent and Medway Integrated Care Board (ICB) for the provision of a proactive palliative and end of life care team to support residents in Care Homes, ceased abruptly in June 2023. The Community Teams continue to support patients in Care Homes and their families, on a referral and as needed basis.

Family Support Team

The Family Support Team provides counselling, social work for children, young people and families, welfare advice and spiritual support, led by our Spiritual Lead, with volunteer support, to patients and their loved ones within the Hospice Hub and Inpatient Unit. This support is offered pre-bereavement to the patients and/or their loved ones, at the time of the death and into bereavement.

Working in close liaison with the primary health care team, the Family Support Team provides:

- Pre and post bereavement counselling
- Family and children support
- Welfare support
- Spiritual Care
- Compassionate Neighbours

The Hospice Hub programme is held in Magnolia Place within the Hospice and is as follows:

- Monday and Thursday: Drop-in sessions with no referral required for patients, their loved ones and carers. This hub model provides a one-stop-shop to access support with symptom and pain control, advanced care planning, social support, spiritual, emotional, and welfare support.
- Tuesday: The Dementia team run the Making Memories® programme.
- Wednesday: Bereavement drop-in group, supporting families and loved ones to process grief and bereavement in a social setting. Individual bereavement counselling is also available.
- Friday: Twice a month, in partnership with the Motor Neurone Disease Association (MND), a drop-in group is run for patients with Motor Neurone Disease.
- Saturday: Once a month a Dementia Café is run in the Hospice, for people with Dementia, and their carers and loved ones, to attend.
- Saturday: Once a month a "Time for You" family session is run in the Hospice Hub; these are drop-in, no appointment necessary sessions providing anticipatory grief support for children and families.

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Therapies

Occupational therapy and physiotherapy can be offered to Hospice patients on the Inpatient Unit and through the Hospice Hub as required.

Education and development

The Education Team provide internal and external clinical training including, clinical statutory and mandatory training sessions where the Education Team supports colleagues to achieve the clinical competencies as required.

The Education Team also provide training on all aspects of palliative and end-of-life care including providing multidisciplinary specialist advice, support, education, and training to the nursing homes and other healthcare professionals who are providing direct core level palliative care to the person. They are part of the Kent and Medway Collaborative for training and education and provide Kent County Council funded training for care homes.

The Heart of Kent Hospice facilitates the European Certificate in Essential Palliative Care (ECEPC) which is a distance learning course aimed at helping professionals consolidate and develop their palliative care confidence and expertise. The course is also designed to meet the needs of healthcare professionals new to specialist palliative care services who wish to establish a strong foundation of knowledge on which to build specialist knowledge and skills.

The Education Team also support the Head of Inpatient Unit to ensure the standards required to deliver outstanding care on the Inpatient Unit are met. The Practice Development Nurse works with nurses on their induction, preceptorship and return to practice, as well as student nurses and the inpatient unit team to complete their practical and theoretical competencies.

The Hospice worked with the Integrated Care Board (ICB) and Acute Trusts to support Winter Pressures in 2023/24 by collaborating in a number of projects:

- British Red Cross Palliative Care Ambulance transfers from home or hospital to the Hospice.
- Admitting Acute trust patients to two designated beds on IPU to facilitate hospital discharge.
- Joining the Maidstone and Tunbridge Wells NHS Trust (MTW) tele-tracking system for capacity and bed management.
- Early identification at the end of life project.
- Out of Hours crisis hub telephone support scheme.
- Supporting weekly Local Health Economy situation response calls.

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STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Quality Assurance

Following a routine inspection by the Care Quality Commission (CQC) in February 2017, the Hospice achieved an overall rating of Outstanding, gaining Outstanding in Caring and Responsive domains and Good in Safe, Effective and Well-Led. Monthly CQC monitoring started during the pandemic and is continuing as their model of inspection on need and risks identified. We participated in a Direct Monitoring Assessment with the CQC in January 2023 and the inspector found no reason, at that time, for further regulated activity or inspection.

The new CQC New Single-assessment Framework was introduced in late 2023.

Patient/carer feedback is a vital part of learning and improvement for Hospice, this is gathered via:

- Website feedback form.
- Involve wellbeing surveys.
- Patient and Carer engagement group surveys linked to CQC "I" statements.
- Feedback from Medical Examiner referrals.
- General Hospice enquiries email.
- Direct patient feedback from patients/carers at Board.

Patient services report quarterly to the Clinical Governance Committee.

Monthly clinical management and medicines management meetings take place covering topics such as safeguarding, audit, affirmations, adverse comments, complaints, and incidents. An Audit and Research Group meets every eight weeks to review and monitor the core clinical audits and to ensure the implementation of any actions or learning from audit findings. It also encourages each clinical team to undertake at least two service specific audits per year. Monthly spot checks are carried out across clinical areas to ensure quality and standards are maintained.

The Hospice submits quarterly data to Hospice UK's patient safety benchmarking programme. The data submitted and benchmarked includes bed data, patient falls, pressure ulcers and medicine errors and we are benchmarked as a small hospice (10 beds).

Hospice UK benchmarking outcomes are shared at Clinical Governance Committee.

The Hospice has established a development framework to support colleagues' personal career development. Members of the senior nursing teams are supported to undertake Non-Medical Prescribing and Advanced Assessment Skills training. We are also supporting two Healthcare Assistants to complete Nurse Associate Training, which is a route into becoming a qualified registered nurse.

In the Monckton Education Centre, we deliver the Hospice's external and internal programme of high-quality palliative and end-of-life care training courses. Bespoke training is carried out in nursing and care homes by the Education Team; this training can be supported by "experience days" on the Inpatient Unit.

Senior Clinicians attend the Kent and Medway ICB End of Life Group meetings monthly to work in collaboration with other agencies to formulate and implement a Kent and Medway ICB End of Life Strategy.

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The Patient Services Director and Head of Hospice Dementia Team attend all relevant sector groups including a Dementia Strategic Implementation Group, a Cancer Improvement Group, plus Frailty and Ageing Well strategy meetings.

Colleagues from Clinical services presented posters at Hospice UK Conference in November 2023 and delivered a verbal presentation on improvements to our corneal donation process at the Palliative Care Congress in March 2024.

Key Performance Indicators (KPIs)

The Hospice uses several KPIs and dashboards to monitor outputs achieved by activities. The Clinical Dashboard is produced monthly and consists of nine key metrics including, caseload, number of referrals, bed occupancy and IPU flow, and complaints.

Inpatient Unit

During the year to 31 March 2024 a total number of 3,238 bed days (2023: 3,238) were available. Within the period of the financial year there were 237 inpatient stays (2023: 204), of which 232 (2023: 199) were first admissions and 5 (2023: 5) were repeat admissions. The average length of an inpatient stay was 8 days (2023: 10).

Hospice Community Services

The multiskilled Hospice Community Services teams have efficiently met the demand of a busy and growing caseload. The average caseload during the year was 999 patients (2023: 925), with the overall caseload increasing by 6% (2023: 20% increase) year on year.

During the year ended 31 March 2024, the total number of patients cared for by the Hospice Community Services teams was 2,089, (2023: 1,973) of which the total referrals was 1,177 (2023: 1,034). The breakdown of the total number of referrals is 759 (2023: 777) for the Hospice Community Team, 192 (2023: 227) for the Hospice Dementia Team and 226 (2023: 30) for the Care Home team.

Our Hospice Community Team conducted 1,458 (2023: 1,213) home visits, outpatient appointments, telephone and video assessments and made a total of 18,936 (2023: 18,976) telephone calls. Our Hospice Dementia Team conducted 295 (2023: 338) home visits, telephone, and video assessments and made a total of 3,401 (2023: 4,306) telephone calls. The Care Home Team conducted 416 (2023: 172) home visits, outpatient appointments, telephone and video assessments and made a total of 1,952 (2023: 595) telephone calls.

During the year 738 patients died (2023: 709).

Family Support Team

During the year, the number of bereavement counselling referrals was 301 (2023: 276) and welfare referrals were 247 (2023: 222). The number of Hospice Hub attendances in the year were 3,246 (2023: 2,511) and the number of patient and family outpatient contacts for counselling and social work was 811 (2023: 1,012).

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Information Technology

The Head of Information and Quality Assurance is responsible for the management of the range of Hospice databases and works closely with Heads of Departments and the Hospice's IT provider to facilitate best use and safe storage of available data.

This year we once again successfully met the Data Security and Protection toolkit requirements and the annual assessment we submitted was approved. This enables us to use NHS Connecting for Health systems and services such as N3. This will enable the medical and clinical teams at the Hospice to share and access relevant patient information in a secure manner and improve the overall coordination of care.

Clinical colleagues are using Integrated Palliative Care Outcome Scale (iPOS) to measure patient outcomes which will enable the Hospice to report into Public Health England's new Palliative Care Information Framework. Outcome measures are used to triage patients according to their needs.

We report internally on key performance indicators monthly and share information with Kent and Medway ICB as required for the grant in aid agreement. We also submit data to Hospice UK to enable us to benchmark drug incidents, and slips, trips and falls against local and national data.

Income Generation

Income is generated through a rolling programme of fundraising activity, lottery and our network of retail shops. Our ambition for 2023/24 was to re-establish sustainable income streams which had been impacted by COVID-19 and activate plans which will enable us to return to pre-pandemic levels of participation and income.

Throughout the year, we continued to experience a cautious response from the public, especially relating to fundraising events and challenges, with slightly lower participation numbers than planned in some areas. This was however offset by higher than average fundraising per person for some mass participation activities. We successfully engaged a number of new corporate supporters through increased networking and selling sponsorship for the Shaun the Sheep in the Heart of Kent art trail (2024/25). This activity has also attracted almost double the level of school and community support than our previous trail in 2021 (Elmer's Big Heart of Kent Parade).

We are grateful to a number of high value supporters (trusts and major donors) for their on-going support of the Hospice.

Overall, fundraising exceeded our target during 2023/24 due to the generosity of some key individual supporters who made unsolicited donations and the notification of several particularly significant gifts in Wills.

Our retail shops significantly over-achieved their sales target for the year, supported by a focus on pricing, reducing lost trading days and increasing resource. Careful budget setting and monitoring of expenditure also enabled the team to exceed net profit targets.

The Finance and Income Generation Committee meets quarterly to oversee income generation activity and monitor progress.

Expenditure on raising funds (not including non-charitable trading expenses – note 7) increased by 2% in the year ended 31 March 2024 compared to the prior year, predominantly due to increased level of resource as vacancies held in the previous year were filled. Expenditure also included investment in Professional Fundraisers who recruited players to our weekly lottery, as noted below.

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Fundraising Regulation and Compliance

Heart of Kent Hospice is registered with the Fundraising Regulator and is an organisational member of the Chartered Institute of Fundraising. Our lottery is registered with The Gambling Commission. Our supporter promise is published on our website and outlines our commitment to our supporters.

Each year members of the fundraising and finance team are invited to attend regulation and compliance training (compulsory for new starters and every three years for the rest of the team). This training includes guidance on how to identify and support vulnerable people. All team members are encouraged and expected to keep abreast of specific changes, risks and opportunities in their specialist area.

The Hospice monitors and manages its fundraising regulation and compliance through a combination of training programmes, internal processes, internal audits and quarterly management reporting. This takes into consideration the collection and use of personal data, frequency of contact, how to identify and support vulnerable people and compliance and regulatory requirements.

All colleagues are held accountable to our supporter promise and organisational behaviour framework.

In adherence with the Fundraising Regulator's best practice (the code of Fundraising Practice), and General Data Protection Regulations (GDPR), our fundraising communications schedule is overseen by the Deputy Director of Fundraising and Communications and the Data Protection Officer (DPO).

The Hospice is registered with the Fundraising Preference Service and received no requests in the year ended 31 March 2024.

Other regulatory bodies that the Hospice adheres to are the Committee of Advertising Practice (CAP), which governs non broadcast advertisements, sales promotions and direct marketing communications and the Privacy and Electronic Communications Regulations (PECR), which is law in the UK and has rules on marketing calls, emails, texts and faxes, the use of cookies, keeping communication services secure and customer privacy.

During 2023/24 all fundraising was conducted by the Hospice's team of employed fundraisers. No complaints were received with regards to fundraising throughout the course of the year.

A professional fundraising agency was commissioned for a second campaign to recruit new players to Heart of Kent Hospice Promotions (Lottery) in order to address the decline in players experienced in recent years. All best practice guidance provided by the Chartered Institute of Fundraising were followed. Five complaints were received. These complaints were related to approaching existing lottery players, repeated approaches to a property, time of call being too late, and concerns about the legitimacy of the campaign.

However, we also received positive feedback from members of the community. They commended us on our well-informed brand ambassadors for doing a great job. One gentleman was so inspired by a visit from a canvasser that he made a donation to the Hospice, even though he did not agree with gambling products and would not play the lottery. All comments were investigated to identify learnings and responded to appropriately.

No Commercial Participator Agreements were in place during 2023/24.

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FINANCIAL REVIEW

As reported in the Consolidated Statement of Financial Activities for the year, the Hospice's results for the year ended 31 March 2024 show a surplus of £356k, which compared to a surplus of £60k for the previous year.

Total income for the year was £6.9m, compared to £6.1m in 2022/23 which is reflective of a record year for legacies and gifts in will, alongside some additional funding from the ICB of £166k and a strong performance in our charity shops. This has meant the 2023/24 financial results have been substantially better than the £1.03m budgeted deficit.

The grant received from Kent and Medway Integrated Care Board (ICB) under a grant agreement of £1,269k (2022: £1,103k), amounted to approximately 19% of total expenditure (2023: 18%), which means that the Hospice must obtain at least 81% of its funding from other sources. The Kent and Medway Hospices continue to collaborate together, meeting regularly with the Kent and Medway ICB to demonstrate the need for additional and appropriate levels of funding for the adult specialist and palliative end of life care services that we provide.

An analysis of the income for the year is shown in notes 4 to 6 of the accounts.

The resources expended in delivering our charitable activities and services (note 8) increased by nearly 8% year on year, reflecting the investments made in service development, the impact of wage inflation, and the increase in the number of patients and families we are reaching.

Of the funds raised, £2.4m (2023: £2.1m) was utilised in generating the funds themselves (note 7), the majority of which relates to the increasing operating costs of the two trading subsidiaries.

A deficit budget of £0.78m has been set for 2024/25 and the challenge facing the Hospice in the short term is how, in a difficult fundraising environment coupled with a challenging economy, we can be agile enough to adapt and tailor our services to manage the increasing demands of our community as well as return to an operationally balanced financial position. Maintaining the quality of our care and our person centred approach will remain paramount.

Whilst the last two financial years have been successful in terms of delivering surpluses and hence strengthening our reserves position, the Hospice has a detailed five-year forward-looking plan to deliver on. This embeds a clear strategy that, by being proactive in managing our costs, maximising our profitability in retail and growing our supporter base, as well as exploring new sources of income, we can aim to bring future years' budgets to a sustainable position.

This five-year plan also incorporates an ambitious capital campaign, with the aim to build a designated reserve, to achieve our longer-term plan to relocate to a new Hospice in Linton.

RESERVES POLICY

The Trustees have reviewed the reserves policy and they continue to require the Hospice to hold free reserves to ensure both the financial security and the operational flexibility of the Hospice. The target for the reserves (as measured by the unrestricted general fund, including undesignated fixed assets offset by long term creditors) was last reviewed in 2022 and was set to a target of between £1.8m to £2.5m based on estimated costs of closure for the Hospice and its trading subsidiaries.

On 31 March 2024, the Charity's free reserves amount to £3.91m (2022/23: £3.63m) with consolidated designated funds of £2.91m (2022/23: £2.83m). The consolidated restricted funds on 31 March 2024 were £0.02m (2022/23: £0.03m). Total consolidated funds on 31 March 2024 were £6.84m (2022/23: £6.48m).

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The budgeted deficit for 2024/25 of £0.78m would result in general reserves of £3.13m as of 31 March 2025. However, additional grant funding will be required from the Kent and Medway ICB alongside our fundraising and retail income, to be able to maintain reserves at this level and provide a sustainable level of income to support our services.

The Trustees will continue to monitor the appropriateness of the reserves policy to ensure the Hospice holds adequate free reserves to ensure both the financial security and the operational flexibility of the Hospice.

GOING CONCERN

Accounting standards require the Trustees to consider the appropriateness of the going concern basis when preparing the financial statements. The Trustees confirm that they consider that the going concern basis remains appropriate.

The Trustees regard the going concern basis as remaining viable as the Charity has adequate resources to continue in operational existence for the foreseeable future on the basis that there are adequate cash reserves within the Charity.

Financial Instruments

The group's financial instruments at the balance sheet date comprised listed investments and cash and liquid resources. The main purpose of these financial instruments is to manage finance and maximise returns for the group's operations. The group has various other financial instruments such as trade debtors and trade creditors, that arise directly from its operations. The main risks arising from the group's financial instruments are interest rate risk of which is managed by reviewing the exposure to interest rate fluctuations.

Investment Policy and Returns

The Trustees are permitted by the Charity's Memorandum and Articles of Association to invest the monies of the Trust not immediately required for its own purpose in such investments, securities or property as may be thought fit.

Investment movements in the year ended 31 March 2024 was a gain of £32,829 (2023: £7,521 loss).

In the previous two financial years, with a difficult financial climate and other impacting global factors, the value of our investment has fluctuated. Our expectation that it would, however, generate a positive return over the longer term, has started to come to fruition. The portfolio valuation and performance are monitored closely.

The Executive regularly monitors the cashflow requirements of the charity and reports to Trustees, striving to secure competitive interest rates where applicable by considering the most appropriate vehicles for investing the funds, taking account of interest rates, credit and interest rate risks and terms to maturity.

The Hospice has adopted an ethical investment approach to ensure that its investments do not conflict with its aims and therefore precludes direct or indirect investments in companies that generate revenues from tobacco or arms and those companies whose principal activity is either gambling or pornography.

As well as considering ethical investments the Hospice will also consider the Environmental, Social and Governance (ESG) stewardship policies of investments to ensure that these factors as well as financial return are used to evaluate potential stocks for a portfolio.

THE HEART OF KENT HOSPICE

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2024

Public Benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit. The charitable purpose of Heart of Kent Hospice is stated in its 'Objectives and Activities' and the Trustees ensure that this purpose is carried out for the public benefit by working to these objectives.

Special acknowledgement to colleagues and volunteers

The Board of Trustees wishes to record its appreciation of the Hospice's highly committed colleagues and volunteers who generously and unstintingly give their time, skills, and expertise. The continued commitment to make a difference in such challenging times is inspiring.

The Hospice is fortunate to have in the region of 550 volunteers who make a contribution to the Hospice which is worth over £1m in time. The Hospice could not survive in its present form without the support of its generous volunteers who offer their contributions in all aspects of Hospice activity; this includes clinical, administrative and income generation roles.

The Board is grateful for the valuable help and assistance received from its professional advisers.

REMUNERATION POLICY

The remuneration of key management colleagues is reviewed by a subcommittee of the Hospice's Board of Trustees to ensure it is competitive with the charity sector, proportionate to the complexity of each role and in line with our charitable objectives and values. A review is conducted at least every three years of pay, terms and conditions of all colleagues to ensure they are fair and competitive.

Future Plans

The Hospice launched a new three-year strategy in April 2024, as set out above, which has been well received by supporters, patients and families, colleagues and volunteers.

Following a feasibility study in 2016 on the future capacity and suitability of the existing Hospice to meet the growing need for palliative and end of life care, the Trustees and Executive team have been exploring options for new sites to relocate the Hospice. Therefore, the approval of outline planning for the building of a new Hospice in Linton, Maidstone in June 2024 was an important step forward. Plans are now underway for a significant capital campaign and the development of the detailed designs for a full planning application.

Trustees' responsibilities statement

The Trustees (who are also directors of The Heart of Kent Hospice for purposes of company law) are responsible for preparing the Trustees' 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 charitable company and the group and of the income resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;

THE HEART OF KENT HOSPICE

(A company limited by guarantee)

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2024**

- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

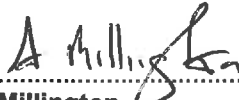
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial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

Disclosure of information to auditor

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 group's auditor is unaware, and
- that 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 group's auditor is aware of that information.

Approved by order of the members of the board of Trustees and signed on their behalf by:


.....
Ann Millington
Chair

Date: 30/9/2024

THE HEART OF KENT HOSPICE

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS FOR THE YEAR ENDED 31 MARCH 2024

Opinion

We have audited the group and parent company financial statements of The Heart of Kent Hospice ("the charitable company") for the year ended 31 March 2024, which comprise the Consolidated Statement of Financial Activities, the 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2024 and of the group's 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 the charity'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 annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

THE HEART OF KENT HOSPICE

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS FOR THE YEAR ENDED 31 MARCH 2024

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' report, which includes the directors' report and strategic report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and the strategic report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report or strategic report included within the trustees' report.

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

- the parent charitable company has not kept adequate and proper accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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 trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

THE HEART OF KENT HOSPICE

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS FOR THE YEAR ENDED 31 MARCH 2024

We obtained an understanding of the legal and regulatory framework applicable to the preparation of the financial statements of the group and the procedures that management adopt to ensure compliance. We have considered the extent to which non-compliance might have a material effect on the financial statements, and in particular we identified the Companies Act 2006, FRS102 and the Charities SORP.

We have also identified other laws and regulations that do not have a direct effect on the amounts or disclosures within the financial statements, but for which compliance is fundamental to the charity's operations and to avoid material penalties, including GDPR, Care Quality Commission (CQC) regulation, Gambling Commission regulation, health and safety and employment law.

Having reviewed the laws and regulations applicable to the group, we designed and performed audit procedures to obtain sufficient appropriate audit evidence. Specifically, we:

- Selected a team with sector experience to perform the audit;
- Obtained an understanding of the charity's procedures for ensuring compliance with laws and regulations;
- Obtained and reviewed internal policy and procedure documents;
- Made enquiries of management and the trustees regarding whether they were aware of any actual or suspected incidences of non-compliance with laws and regulations;
- Obtained and reviewed meeting minutes;
- Obtained and reviewed correspondence with, and reports from, the key regulators;
- Interviewed key staff responsible for compliance with the CQC regulations;
- Reviewed legal expenses accounts for indications of any possible non-compliance; and
- Reviewed the completeness and accuracy of any disclosures made in the financial statements.

We assessed the susceptibility of the group's financial statements to material misstatement, including considering how fraud might occur. This was performed by:

- Making an assessment of the group's control environment, systems and controls including identifying any weaknesses and considering the risk of management override of controls;
- Assessing the susceptibility of the group's financial statements to material misstatement, including considering how fraud could occur;
- Considering whether there are any incentives or opportunities for management to manipulate financial results;
- Obtaining and evaluating the trustees' assessment of the risk of fraud, and enquiring as to whether they are aware of any actual or suspected incidences of fraud;
- Reviewing the accounting policies and accounting estimates for signs of management bias; and
- Identifying key risks relating to irregularities as relating to the completeness, classification and cut-off of income, the accounting for legacies receivable, the identification and application of restricted funds, and the risk of management override of controls.

We then designed audit procedures in response to the risks identified, including performing substantive testing on all material income streams, reviewing the accounting policy for legacies and examining supporting documentation such as Wills and executor correspondence, performing substantive testing on restricted funds and reviewing journal entries and key accounting estimates.

The audit has been planned and performed in accordance with auditing standards, however, because of the inherent limitations of audit procedures there remains a risk that we will not detect all irregularities, including those that may lead to material misstatements in the financial statements. There are inherent difficulties in detecting irregularities, and irregularities that result from fraud may be more difficult to detect than irregularities that result from error, for example due to concealment, override of controls, collusion or misrepresentations. In addition, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less audit procedures are able to identify it.

THE HEART OF KENT HOSPICE

(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
FOR THE YEAR ENDED 31 MARCH 2024**

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....
A S Healey FCA CTA DChA
Senior Statutory Auditor
For and on behalf of:
Lindeyer Francis Ferguson Limited

Statutory Auditors
Chartered Accountants

Date: 9 October 2024

North House
198 High Street
Tonbridge
Kent TN9 1BE

THE HEART OF KENT HOSPICE

(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:					
Donations and legacies	4	4,240,844	123,383	4,364,227	3,560,864
Charitable activities	5	508,640	-	508,640	775,191
Other trading activities	6	1,937,637	-	1,937,637	1,740,155
Interest receivable		115,511	-	115,511	43,061
Other		1,245	-	1,245	1,505
Total		6,803,877	123,383	6,927,260	6,120,776
Expenditure on:					
Raising funds	7	2,365,043	-	2,365,043	2,142,311
Charitable activities	8	4,131,350	107,766	4,239,116	3,915,304
Total		6,496,393	107,766	6,604,159	6,057,615
Net income before net gains on investments		307,484	15,617	323,101	63,161
Net gains / (losses) on investments		32,829	-	32,829	(7,251)
Net income before taxation		340,313	15,617	355,930	55,910
Taxation credit		-	-	-	4,187
Net income		340,313	15,617	355,930	60,097
Transfers between funds		27,597	(27,597)	-	-
Net movement in funds		367,910	(11,980)	355,930	60,097
Reconciliation of funds:					
Total funds brought forward:					
As originally stated		6,457,600	27,133	6,484,733	6,379,857
Prior period restatement		-	-	-	44,779
As restated		6,457,600	27,133	6,484,733	6,424,636
Total funds carried forward		6,825,510	15,153	6,840,663	6,484,733

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

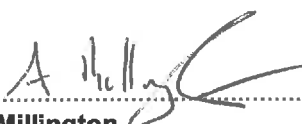
THE HEART OF KENT HOSPICE

(A company limited by guarantee)

**CONSOLIDATED AND CHARITY BALANCE SHEETS
AS AT 31 MARCH 2024**

	Note	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Fixed assets					
Tangible assets	12	2,831,693	2,761,404	2,747,770	2,706,490
Intangible assets	13	18,390	9,730	18,390	9,730
Fixed asset investments	14	333,275	300,446	333,278	300,449
		<u>3,183,358</u>	<u>3,071,580</u>	<u>3,099,438</u>	<u>3,016,669</u>
Current assets					
Stocks: finished goods for resale		187,246	13,246	-	-
Debtors	15	1,932,730	963,093	2,081,688	2,151,776
Cash on deposit		500,000	500,000	500,000	500,000
Cash at bank and in hand		1,748,726	2,594,845	1,386,769	1,152,229
		<u>4,368,702</u>	<u>4,071,184</u>	<u>3,968,457</u>	<u>3,804,005</u>
Creditors: amounts falling due within one year	16	(711,397)	(658,031)	(372,890)	(445,802)
Net current assets		<u>3,657,305</u>	<u>3,413,153</u>	<u>3,595,567</u>	<u>3,358,203</u>
Total net assets		<u><u>6,840,663</u></u>	<u><u>6,484,733</u></u>	<u><u>6,695,005</u></u>	<u><u>6,374,872</u></u>
The funds of the charity:					
Unrestricted funds		6,825,510	6,457,600	6,679,852	6,347,739
Restricted funds		15,153	27,133	15,153	27,133
	17	<u><u>6,840,663</u></u>	<u><u>6,484,733</u></u>	<u><u>6,695,005</u></u>	<u><u>6,374,872</u></u>

The financial statements were approved by the Board of Trustees on 30 September 2024 and were signed on its behalf by:



Ann Millington
 Chair

Company number: 2184005

THE HEART OF KENT HOSPICE

(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	2024 £	2023 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	(744,863)	50,967
Cash flows from investing activities:			
Purchase of tangible fixed assets		(212,681)	(154,040)
Purchase of intangible fixed assets		(9,730)	(9,730)
Proceeds from sale of tangible fixed assets		9,603	-
Bank interest received		115,511	43,061
Cash placed on deposit		-	(500,000)
Net cash used in investing activities		(97,297)	(620,709)
Change in cash and cash equivalents in the year		(842,160)	(569,742)
Cash and cash equivalents at the beginning of the year		2,584,665	3,154,407
Cash and cash equivalents at the end of the year	B	<u>1,742,505</u>	<u>2,584,665</u>
A. Reconciliation of net income to net cash flow from operating activities			
Net income		355,930	60,097
Depreciation charges and profit / loss on disposal		133,859	138,321
Gains / (losses) on investments		(32,829)	7,251
Bank interest received		(115,511)	(43,061)
(Increase) / decrease in stocks		(174,000)	(1,512)
(Increase) in debtors		(969,637)	(73,681)
Increase / (decrease) in creditors		57,325	(32,261)
(Decrease) in provisions		-	(4,187)
Net cash provided by operating activities		<u>(744,863)</u>	<u>50,967</u>
B. Analysis of cash and cash equivalents			
Cash at bank and in hand		1,748,726	2,594,845
Overdraft facility repayable on demand		(6,221)	(10,180)
		<u>1,742,505</u>	<u>2,584,665</u>
C. Analysis of changes in net debt			
		<i>Cash at bank</i>	<i>Overdrafts</i>
At the beginning of the year		2,594,845	(10,180)
Cash flows		(846,119)	3,959
Gains / (losses)		-	-
At the end of the year		<u>1,748,726</u>	<u>(6,221)</u>
			<i>Liquid investments</i>
			307,697
			-
			32,829

THE HEART OF KENT HOSPICE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1 ACCOUNTING POLICIES

Basis of preparation of the financial statements

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)" (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The financial statements are presented in pounds sterling and rounded to the nearest pound.

Basis of consolidation

The consolidated financial statements incorporate those of the charity and its subsidiary undertakings on a line-by-line basis. All intra-group transactions and balances are eliminated on consolidation.

Going concern

The Trustees have assessed that there are no significant doubts over the charity's ability to continue as a going concern. As a result, the financial statements have been prepared on a going concern basis.

Income

Income from donations and grants is recognised when the charity is entitled to the funds, the receipt is probable and the amount can be measured reliably. For donations, this is usually on receipt. Donations under Retail Gift Aid and the associated tax recoverable are accounted for at the point of sale of the items donated. For grants, this is usually when a formal offer is made in writing, unless the grant contains terms and conditions outside of the charity's control which must be met before the charity is entitled to the funds. Where grants are received in response to a proposal including a budgeted timescale, such that the timescale for the expenditure is implicit in the grant agreement, the income is recognised in accordance with that timescale.

Income from legacies is reviewed on a case-by-case basis and recognised when the charity is entitled to the income, receipt is probable and the amount can be measured reliably. It is normally considered probable when there has been a grant of probate, the executors have established that there are sufficient assets in the estate to pay the legacy, and any conditions attached are within the control of the charity or have already been met.

Income from charitable activities is recognised in the period in which the relevant services are delivered. Income from performance-related grants in connection with the charitable activities is recognised to the extent that the performance-related criteria have been met.

Donated goods are measured at their estimated fair value, and donated facilities and services are measured on the basis of the amount the charity would pay in the open market for the facilities or services. The services of volunteers are not included in the financial statements. Due to the impracticalities inherent in estimating the fair value of a large volume of low-value items, donated goods for resale through the charitable group's shops are not recognised on receipt, but the value generated from their sale is included in income when the items are sold.

THE HEART OF KENT HOSPICE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1 ACCOUNTING POLICIES continued

Expenditure

Expenditure is recognised on the accruals basis when a present legal or constructive obligation exists at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and the amount can be estimated reliably, and includes irrecoverable VAT.

Expenditure on charitable activities includes the cost of services and support costs.

Expenditure on raising funds includes fundraising and publicity costs as well as the costs incurred by the non-charitable subsidiaries in pursuit of their trading activities.

Staff costs are allocated on the basis of time spent.

Support costs are those functions that assist the work of the charity but do not directly relate to the charitable activities, and include governance costs. They are allocated across the activities on a pro-rata basis with reference to the attributable direct and staff costs, being a measurement considered to be representative of the usage of the costs.

Fund accounting

General funds are unrestricted funds which can be used in accordance with the charitable objectives at the discretion of the Trustees.

Designated funds are a subset of unrestricted funds and represent funds set aside by the Trustees for specific future purposes or projects.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated realisable value of each asset over its expected useful life, as follows:

Freehold land	Not depreciated
Freehold buildings	2% on the straight line basis
Motor vehicles	25% on the straight line basis
Fixtures and fittings	20-30% on the straight line basis
Computer equipment	33% on the straight line basis

Assets costing less than £1,000 are not capitalised but are recognised as expenditure in the Statement of Financial Activities in the year incurred.

THE HEART OF KENT HOSPICE

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1 ACCOUNTING POLICIES continued

Investments

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

Listed investments are initially recognised at their transaction cost and are subsequently measured at fair value at each reporting date, with changes in fair value recognised in the statement of financial activities.

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

Financial instruments

The group only has financial instruments of a kind that qualify as basic financial instruments. Short term basic financial instruments such as trade debtors and trade creditors are initially recognised at transaction value and subsequently measured at their settlement value. Long term basic financial instruments such as bank loans initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash held on deposit with an initial maturity of more than three months is shown on the Consolidated and Charity Balance Sheets as Cash on deposit and excluded from Cash and cash equivalents in the Consolidated Statement of Cash Flows.

Leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

Payments to defined contribution pension schemes are charged as an expense as they fall due.

The group also contributes to the National Health Service Scheme for some of its employees. However, the scheme is a multi employer defined benefit scheme and the group is therefore unable to identify its share of the underlying assets and liabilities.

Critical accounting estimates and areas of judgement

The main area of estimation uncertainty is in relation to the measurement of legacies receivable (Note 15) where the legacy represents a share of the residue of the estate. The estimate is made based on the percentage share given by the Will, information obtained from the executors as to the likely net value of the estate, and making allowance for expected taxes and fees.

THE HEART OF KENT HOSPICE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

2 STATUS

The Heart of Kent Hospice is a charitable company limited by guarantee incorporated in England and Wales. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is Preston Hall, Aylesford, Kent ME20 7PU.

3 PRIOR PERIOD RECLASSIFICATION

The prior period Statement of Cash Flows has been restated to exclude cash held on deposit with an initial maturity of more than three months from the definition of cash and cash equivalents.

4 INCOME FROM DONATIONS AND LEGACIES

	2024 £	2023 £
Donations	1,320,044	1,198,759
Legacies	1,555,249	763,039
Grants	1,272,617	1,131,137
Trusts and foundations	187,834	390,741
COVID-19 funding	-	33,682
Gifts in kind	28,483	43,506
	<u>4,364,227</u>	<u>3,560,864</u>

In the preceding period, income of £151,613 was restricted.

5 INCOME FROM CHARITABLE ACTIVITIES

	2024 £	2023 £
Performance-related grants and contractual income		
Inpatient services	274,012	297,779
Family support services	12,350	7,050
Community services	179,336	422,348
Education	42,942	48,014
	<u>508,640</u>	<u>775,191</u>

In the preceding period, income of £Nil was restricted.

THE HEART OF KENT HOSPICE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

6 INCOME FROM OTHER TRADING ACTIVITIES

	2024	2023
	£	£
Income from fundraising events and sponsorship	129,293	116,144
Rent	1,200	1,200
Income from non-charitable trading activities:		
Lottery income	339,570	312,254
Trading shops and ebay sales	1,467,574	1,310,557
	<u>1,937,637</u>	<u>1,740,155</u>

7 EXPENDITURE ON RAISING FUNDS

	2024	2023
	£	£
Fundraising staff costs	440,891	405,021
Direct costs of fundraising	153,073	185,405
Support costs allocation	249,174	235,160
Expenditure on non-charitable trading activities:		
Lottery expenditure	152,864	138,040
Trading shops and ebay expenditure	685,468	609,732
Shops staff costs	672,396	550,894
Shops depreciation and disposals	11,177	18,059
	<u>2,365,043</u>	<u>2,142,311</u>

THE HEART OF KENT HOSPICE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

8 EXPENDITURE ON CHARITABLE ACTIVITIES

	<i>Direct costs 2024 £</i>	<i>Direct staff costs 2024 £</i>	<i>Support costs 2024 £</i>	<i>Total 2024 £</i>
Inpatient services	177,234	1,656,026	769,070	2,602,330
Family support services	11,489	234,585	103,230	349,304
Community services	16,410	769,856	329,846	1,116,112
Education	672	120,053	50,645	171,370
	<u>205,805</u>	<u>2,780,520</u>	<u>1,252,791</u>	<u>4,239,116</u>
	<i>Direct costs 2023 £</i>	<i>Direct staff costs 2023 £</i>	<i>Support costs 2023 £</i>	<i>Total 2023 £</i>
Inpatient services	169,230	1,570,858	693,056	2,433,144
Family support services	10,941	218,869	91,530	321,340
Community services	8,992	745,700	300,584	1,055,276
Education	369	75,112	30,063	105,544
	<u>189,532</u>	<u>2,610,539</u>	<u>1,115,233</u>	<u>3,915,304</u>

In the preceding period, expenditure of £135,310 was applied to restricted funds.

9 SUPPORT COSTS

	<i>2024 £</i>	<i>2023 £</i>
Support costs comprise:		
Support staff costs	721,749	660,495
PR and communications	75,695	69,232
Premises costs	127,928	88,375
Insurance	22,830	19,071
Repairs and maintenance	76,397	89,687
IT costs	124,797	126,533
Depreciation and disposals	122,682	120,262
Other overheads	66,134	74,048
Governance costs:		
Legal and professional fees	148,893	85,222
Audit and accountancy	14,860	17,468
	<u>1,501,965</u>	<u>1,350,393</u>

THE HEART OF KENT HOSPICE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

10 NET INCOME

	2024	2023
	£	£
Net income is stated after charging/(crediting):		
Government grants	(1,268,767)	(1,131,137)
Operating lease rentals	251,129	282,893
Auditors' remuneration for audit services	18,350	13,500
Auditors' remuneration for non-audit services	2,870	2,350
	<u> </u>	<u> </u>

As permitted by s408 Companies Act 2006, the parent charity has not presented its own Statement of Financial Activities and related notes. The parent charity's net movement in funds for the year was £320,133 (2023: £26,449).

11 STAFF COSTS

	2024	2023
	£	£
Gross salaries	4,020,898	3,671,145
Employer's National Insurance contributions	355,819	332,596
Employer's pension contributions	238,839	223,208
	<u> </u>	<u> </u>
	<u>4,615,556</u>	<u>4,226,949</u>

The average number of persons employed by the group during the year was:

	2024	2023
	No.	No.
Fundraising	12	12
Inpatient services	43	42
Family support services	9	8
Community services	15	14
Education	3	2
Management	25	22
Finance	5	5
Catering	9	8
Trading subsidiaries	35	30
Dementia	5	5
Care homes	1	3
	<u> </u>	<u> </u>
	<u>162</u>	<u>151</u>

THE HEART OF KENT HOSPICE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

11 STAFF COSTS continued

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

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

Pension contributions in respect of higher paid staff totalled £18,364 (2023: £16,146).

During the year, 14 (2023: 15) employees were accruing pensions under the defined contribution pension scheme, 92 (2023: 76) under the NEST scheme, 31 (2023: 34) under the NHS multi-employer defined benefit pension scheme, and 1 (2023: 1) under a clerical medical scheme.

12 TANGIBLE FIXED ASSETS

Group	<i>Hospice building - freehold</i> £	<i>Freehold property</i> £	<i>Motor vehicles</i> £	<i>Fixtures, fittings & equipment</i> £	<i>Total</i> £
Cost					
At 1 April 2023	3,848,040	532,469	69,874	848,166	5,298,549
Additions	140,419	-	40,442	31,820	212,681
Disposals	(2,016)	-	(36,298)	(111,439)	(149,753)
At 31 March 2024	<u>3,986,443</u>	<u>532,469</u>	<u>74,018</u>	<u>768,547</u>	<u>5,361,477</u>
Depreciation					
At 1 April 2023	1,744,487	74,546	69,874	648,238	2,537,145
Charge for the year	76,500	10,650	1,755	48,760	137,665
Eliminated on disposal	(599)	-	(36,298)	(108,129)	(145,026)
At 31 March 2024	<u>1,820,388</u>	<u>85,196</u>	<u>35,331</u>	<u>588,869</u>	<u>2,529,784</u>
Net book value					
At 31 March 2024	<u><u>2,166,055</u></u>	<u><u>447,273</u></u>	<u><u>38,687</u></u>	<u><u>179,678</u></u>	<u><u>2,831,693</u></u>
At 31 March 2023	<u><u>2,103,553</u></u>	<u><u>457,923</u></u>	<u><u>-</u></u>	<u><u>199,928</u></u>	<u><u>2,761,404</u></u>

THE HEART OF KENT HOSPICE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

12 TANGIBLE FIXED ASSETS continued

The net book value of assets held for fundraising in the trading subsidiaries as opposed to direct charitable activities was £83,923 (2023: £54,914).

Charity	Hospice building - freehold £	Freehold property £	Motor vehicles £	Fixtures, fittings & equipment £	Total £
Cost					
At 1 April 2023	3,848,040	532,469	9,500	526,955	4,916,964
Additions	140,419	-	-	22,474	162,893
Disposals	(2,016)	-	-	(92,517)	(94,533)
At 31 March 2024	<u>3,986,443</u>	<u>532,469</u>	<u>9,500</u>	<u>456,912</u>	<u>4,985,324</u>
Depreciation					
At 1 April 2023	1,744,487	74,546	9,500	381,941	2,210,474
Charge for the year	76,500	10,650	-	29,736	116,886
Eliminated on disposal	(599)	-	-	(89,207)	(89,806)
At 31 March 2024	<u>1,820,388</u>	<u>85,196</u>	<u>9,500</u>	<u>322,470</u>	<u>2,237,554</u>
Net book value					
At 31 March 2024	<u>2,166,055</u>	<u>447,273</u>	<u>-</u>	<u>134,442</u>	<u>2,747,770</u>
At 31 March 2023	<u>2,103,553</u>	<u>457,923</u>	<u>-</u>	<u>145,014</u>	<u>2,706,490</u>

The value included in freehold property for land that is not depreciated is £226,300 (2023: £226,300).

Included in Hospice building are assets in the course of construction amounting to £21,000 (2023: £Nil). No depreciation will be charged on these assets until they are complete and brought into use.

Barclays Bank plc have a charge over the property known as Old Transport Building Royal British Legion, Aylesford, Kent ME20 7NL.

THE HEART OF KENT HOSPICE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

13 INTANGIBLE ASSETS

Group and Charity	Website £
Cost	
At 1 April 2023	9,730
Additions	9,730
	<hr/>
At 31 March 2024	19,460
	<hr/>
Amortisation	
At 1 April 2023	-
Charge for the year	1,070
	<hr/>
At 31 March 2024	1,070
	<hr/>
Net book value	
At 31 March 2024	18,390
	<hr/> <hr/>
At 31 March 2023	9,730
	<hr/> <hr/>

14 INVESTMENTS

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Listed investments	333,275	300,446	333,275	300,446
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The charity also has investments of £3 (2023: £3), representing holdings of 100% of the ordinary share capital in Heart of Kent Hospice Promotions Limited and Heart of Kent Hospice Trading Limited. Both subsidiaries are companies limited by share capital registered in England and Wales with number 3233475 and 2547686 respectively. The registered office of each subsidiary is the same as the parent entity. Their principal activities are the running of a lottery and the operation of trading shops respectively. Both are included in the consolidated financial statements.

The financial results of the subsidiaries for the year were:

	Income £	Expenditure and tax £	Profit / (loss) £	Net assets £
Heart of Kent Hospice Promotions Limited	339,569	(339,569)	-	3,106
Heart of Kent Hospice Trading Limited	1,477,945	(1,442,148)	35,797	142,555
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE HEART OF KENT HOSPICE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

15 DEBTORS

	Group 2024	Group 2023	Charity 2024	Charity 2023
	£	£	£	£
Trade debtors	65,648	93,310	40,714	90,910
Amounts owed by group undertakings	-	-	262,983	1,265,594
Other debtors	73,926	146,717	53,192	132,084
Prepayments and accrued income	1,793,156	723,066	1,724,799	663,188
	<u>1,932,730</u>	<u>963,093</u>	<u>2,081,688</u>	<u>2,151,776</u>

Prepayments and accrued income includes legacies receivable amounting to £1,610,807 (2023: £554,742).

Contingent asset

As at the prior balance sheet date, the group and charity had been notified of a legacy which has not been recognised as it does not meet the criteria for recognition given in the accounting policy noted. The legacy was residuary and the estimated amount receivable was £86,500.

16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2024	Group 2023	Charity 2024	Charity 2023
	£	£	£	£
Bank overdrafts	6,221	10,180	-	-
Trade creditors	192,502	187,208	107,140	117,795
Other creditors	93,335	88,575	88,442	87,049
Accruals and deferred income	419,339	372,068	177,308	240,958
	<u>711,397</u>	<u>658,031</u>	<u>372,890</u>	<u>445,802</u>

The movement on deferred income is as follows:

	2024	2023
	£	£
Group		
Balance at 1 April 2023	182,186	160,228
Released to income	(182,186)	(160,228)
Received in the year and deferred	268,540	182,186
Balance at 31 March 2024	<u>268,540</u>	<u>182,186</u>

Deferred income relates to multi-year grant income which has been recognised in accordance with the accounting policy above, contractual income in advance and lottery subscriptions paid in advance.

THE HEART OF KENT HOSPICE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

17 MOVEMENT ON FUNDS

CURRENT YEAR	Brought forward £	Income £	Expenditure and tax £	Transfers, gains/losses £	Carried forward £
Restricted funds					
Capital projects	1,676	18,573	(945)	(16,347)	2,957
Inpatient unit	500	2,920	(3,420)	-	-
Dementia and Community Team	-	3,452	(3,058)	-	394
Family Support Team & Living Well	10,375	85,754	(85,685)	-	10,444
MND support group	-	10,200	(10,200)	-	-
Other	14,582	2,484	(4,458)	(11,250)	1,358
	<u>27,133</u>	<u>123,383</u>	<u>(107,766)</u>	<u>(27,597)</u>	<u>15,153</u>
Unrestricted funds					
General fund	3,631,519	4,986,363	(4,591,994)	(112,196)	3,913,692
Designated funds:					
Fixed asset fund	2,716,220	-	(122,682)	172,622	2,766,160
Trading subsidiary fund	109,861	1,817,514	(1,781,717)	-	145,658
	<u>6,457,600</u>	<u>6,803,877</u>	<u>(6,496,393)</u>	<u>60,426</u>	<u>6,825,510</u>
Total funds	<u><u>6,484,733</u></u>	<u><u>6,927,260</u></u>	<u><u>(6,604,159)</u></u>	<u><u>32,829</u></u>	<u><u>6,840,663</u></u>

THE HEART OF KENT HOSPICE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

17 MOVEMENT ON FUNDS continued

PRIOR YEAR	Brought forward £	Income £	Expenditure and tax £	Transfers, gains/losses £	Carried forward £
Restricted funds					
Capital projects	28,224	6,943	(2,105)	(31,386)	1,676
Inpatient unit	500	4,693	(4,693)	-	500
Dementia and Community Team	6,093	19,694	(25,787)	-	-
Compassionate Neighbours	1,535	5,000	(6,535)	-	-
Family Support Team & Living Well	5,647	24,264	(19,536)	-	10,375
Hospice UK	-	45,791	(42,859)	(2,932)	-
MND support group	-	10,200	(10,200)	-	-
Other	9,592	35,028	(23,595)	(6,443)	14,582
	<u>51,591</u>	<u>151,613</u>	<u>(135,310)</u>	<u>(40,761)</u>	<u>27,133</u>
Unrestricted funds					
General fund	3,590,726	4,346,352	(4,213,311)	(92,248)	3,631,519
Designated funds:					
Fixed asset fund	2,706,109	-	(115,647)	125,758	2,716,220
Trading subsidiary fund	76,210	1,622,811	(1,589,160)	-	109,861
	<u>6,373,045</u>	<u>5,969,163</u>	<u>(5,918,118)</u>	<u>33,510</u>	<u>6,457,600</u>
Total funds	<u><u>6,424,636</u></u>	<u><u>6,120,776</u></u>	<u><u>(6,053,428)</u></u>	<u><u>(7,251)</u></u>	<u><u>6,484,733</u></u>

Fixed asset fund

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 the parent charity's intangible and tangible fixed assets. The transfers between the unrestricted general fund, restricted funds and the fixed asset fund represents the additions in the year. Other movements are for depreciation and profit or loss on disposal.

THE HEART OF KENT HOSPICE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<i>Unrestricted funds</i> £	<i>Restricted funds</i> £	<i>Total funds</i> £
CURRENT YEAR			
Fixed assets	3,183,358	-	3,183,358
Net current assets	3,642,152	15,153	3,657,305
	<u>6,825,510</u>	<u>15,153</u>	<u>6,840,663</u>
PRIOR YEAR			
Tangible fixed assets	3,071,580	-	3,071,580
Net current assets	3,386,020	27,133	3,413,153
	<u>6,457,600</u>	<u>27,133</u>	<u>6,484,733</u>

19 PENSION COMMITMENTS

The charity operates three (2023: three) defined contribution pension schemes available to the majority of its permanent employees. The scheme funds are administered by Trustees of the pension scheme and are independent of the charity's finances. During the year, £92,715 (2023: £82,914) employers' contributions were made. Contributions totalling £Nil (2023: £Nil) were payable to the funds at the balance sheet date and are included in other creditors.

The charity also makes contributions to the National Health Service Schemes for certain employees. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. The schemes 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 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:

THE HEART OF KENT HOSPICE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

19 PENSION COMMITMENTS continued

a) 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 2024, is based on valuation data as 31 March 2023, updated to 31 March 2024 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.

b) 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 2020. The results of this valuation set the employer contribution rate payable from April 2024 to 23.7% of pensionable pay.

The Hospice's contributions to the National Health Service Scheme represent a minor proportion of the payments into the scheme. The charge included within the Consolidated Statement of Financial Activities includes contributions payable to this scheme of £146,729 (2023: £132,699). The Hospice is not responsible for the liabilities of other entities in the Scheme.

THE HEART OF KENT HOSPICE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

20 FINANCIAL COMMITMENTS

At 31 March 2024 the group and parent charity were committed to future minimum lease payments under non-cancellable operating leases as follows:

	2024 £	2023 £
Parent charity:		
Due within one year	-	4,704
Due in two to five years	-	-
Due in more than five years	-	-
	<u> </u>	<u> </u>
Group:		
Due within one year	183,106	175,533
Due in two to five years	157,229	211,625
Due in more than five years	-	-
	<u> </u>	<u> </u>

21 CAPITAL COMMITMENTS

	2024 £	2023 £
Group and Charity		
Contracted but not provided for at the balance sheet date	19,020	91,478
	<u> </u>	<u> </u>

22 RELATED PARTY TRANSACTIONS

The key management personnel are considered to be the trustees and the executive team.

There were no trustees' remuneration nor other benefits during the current or preceding period. Expenses totalling £175 (2023: £20) were reimbursed to 2 (2023: 1) trustee(s) in relation to membership subscriptions and conference attendance.

Trustee donations were £4,214 (2023: £Nil) in aggregate.

The total amount of employee benefits (including employer's pension contributions) received by key management personnel during the year was £545,253 (2023: £499,805).

23 POST BALANCE SHEET EVENTS

On 20 June 2024, outline planning was received for the building of a new Hospice in Linton, Maidstone. Plans are now underway for a significant capital campaign and the development of the detailed designs for a full planning application. The financial effect of these events cannot yet be reliably estimated.

THE HEART OF KENT HOSPICE

England & Wales - Charity number 298164

Accounts

Company number: 2184005
Charity number: 298164



THE HEART OF KENT HOSPICE

(A COMPANY LIMITED BY GUARANTEE)

**TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2023

THE HEART OF KENT HOSPICE

(A company limited by guarantee)

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THE HEART OF KENT HOSPICE

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 MARCH 2023

Patron	Geraldine Allinson OBE Marianna, Viscountess Monckton of Brenchley (deceased 5 July 2022)
Trustees	Ms A Millington (Chair) Mrs S G St C Cooper Mr R E Fedorcio OBE (resigned 14 November 2022) Mr G Hodnett (resigned 14 November 2022) Mrs E M Howe QBE Mr G Hunter (Deputy Chair) Dr N Jegard Mr K A Kassem-Toufic (appointed 14 November 2022) Mr S R B Langworthy (resigned 23 March 2023) Miss S Pain Ms R Parris Mrs L Potts (resigned 14 November 2022) Ms E Price Mr H T B Smith Mr S Thompson Ms L Vui Ms E J B White (appointed 14 November 2022)
Company registered number	2184005
Charity registered number	298164
Registered office	The Heart of Kent Hospice Preston Hall Aylesford Kent ME20 7PU
Chief Executive Officer	Ms R Street
Senior Management Team	Mrs K Harrison, Patient Services Director Dr G Parker MBBS (Land) FRCP, Lead Medical Consultant Ms A Kelly, Income Generation Director Mrs K Dackombe, Finance Director
Independent Auditors	Lindeyer Francis Ferguson Limited North House, 198 High Street Tonbridge Kent TN9 1BE
Principal Bankers	Barclays Bank plc Fremlin Walk Maidstone Kent ME14 1QG
Investment Advisers	Newton Investment Management BNY Mellon Centre 160 Queen Victoria Street London EC4V 4LA

THE HEART OF KENT HOSPICE

(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 MARCH 2023**

Solicitors

Cripps LLP
Number 22
Mount Ephraim
Tunbridge Wells
Kent
TN4 8AS

THE HEART OF KENT HOSPICE

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their annual report together with the audited financial statements of the group and the company for the year to 31 March 2023. The Trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), 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).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Heart of Kent Hospice is a charity, number 298164 and a company limited by guarantee, number 2184005; its Memorandum and Articles of Association constitute the governing documents.

The principal areas of charitable activity are the provision of specialist palliative care services in the heart of Kent area, including the boroughs of Maidstone and Tonbridge and Malling. These services include an Inpatient Unit, an Outpatient centre, support therapies, a Hospice Hub programme, community services, dementia services, counselling, education and training, and spiritual care.

The governing document

The Hospice is a company limited by guarantee and does not have share capital. The constitution of the Hospice is set out in the Articles of Association which were last reviewed and revised in May 2021.

The governance structure

During this financial year the Board of Trustees had four main sub committees which met quarterly: Clinical Governance Committee, Finance and Income Generation Committee, Governance, Risk and Remuneration Committee and a Nominations and Trustee Development Committee. Meetings are held both in person and electronically as required.

The Board of Trustees is responsible and accountable for the governance of the Hospice; it met six times in the year. The Chief Executive is responsible for the day-to-day management of the Hospice.

Charity governance code

The Board has full and careful regard to the Charity Governance Code and uses the code as its principal benchmark. The Board is committed to continuous improvement and development.

Recruitment and appointment of new Trustees

One of the roles of the Governance, Risk and Remuneration Committee is to recruit, induct and train Trustees. This is delegated to the Nominations and Trustee Development Committee which is led by the Deputy Chair of the Board of Trustees. The Board actively promotes diversity and seeks Trustees from a range of backgrounds. Advertisements for new Trustees are published in the local press, on relevant websites, on the Hospice's website, through local networks and in the Hospice newsletter if appropriate. Only Members of the Hospice who are elected by the Board of Trustees can be nominated as Trustees by the Governance, Risk and Remuneration Committee. The Trustees are elected for a term of three years, renewable for a further three years. The Chair is appointed for a five-year term.

We were delighted to welcome Geraldine Allinson OBE DL as our Patron at the Annual General Meeting on 14 November 2022. As a Kent Ambassador and a Deputy Lieutenant for Kent, Geraldine cares deeply about her roots and the county of Kent and as Patron of Heart of Kent Hospice will seek to highlight the breadth of services provided by the Hospice.

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Policies and procedures for the induction and training of Trustees

The Hospice UK document entitled 'Induction of New Trustees' as well as the Charity Trustee welcome pack published by the Charity Commission is used as a model for Trustee induction and training. All Trustees receive a thorough induction and seek to ensure through the governance structure that the Board complies with best practice requirements.

Trustee code of conduct

The Board adheres to the Hospice's Code of Conduct for colleagues and volunteers. The Board takes its leadership role in upholding the values of the Hospice very seriously. The Board has adopted the Hospice's culture framework and conducts itself in line with the Hospice's behavioural standards.

The wider network

The Hospice is a member of Hospice UK. The Chair and Chief Executive attend Hospice UK meetings with other Chairs and Chief Executives in the South-East Region and the Chief Executive networks both locally and nationally. The management team has well developed network links with a wide range of external organisations locally and nationally.

Risk management

A risk management framework is agreed annually by the Board. This includes a Risk Register which has been developed to identify risks, mitigations, and contingency actions. This Risk Register is reviewed and updated monthly by the Executive Team. Risks are reviewed quarterly by the relevant Trustee Committee and quarterly by the Board of Trustees. On an annual basis, the Board agrees a risk threshold and prepares a risk appetite statement.

It is recognised that this system can only provide reasonable (not absolute) reassurance that major risks are being adequately managed.

This year, the main potential risks have been influenced by the recovery from the COVID-19 pandemic and the cost-of-living crisis in the UK. The main risks monitored are those that could lead to:

- Financial sustainability being compromised;
- Patient experience diminishing; and
- Strategic goals not being achieved

Colleagues and Trustees have worked closely together in the year to mitigate these risks. Financial risks are mitigated by regularly reviewing our financial position through management accounts, cash flow modelling, reforecasting, and setting long term financial plans. Maintaining levels of patient experience was challenging during the pandemic, in particular regarding visiting, however usual visiting arrangements are now re-instated and outpatient services have recommenced. Patient experience is regularly and actively monitored, and the Hospice uses the Outcome Assessment and Complexity Collaborative (OACC) tools to assess patient outcomes. Strategic goals are set annually, and progress is monitored at Executive and Board meetings.

OBJECTIVES AND ACTIVITIES

The Hospice's objects, as set out in the Articles of Association are the relief of the needs of those who are suffering from a chronic or terminal illness, disability, or disease and in particular, but not so as to limit the generality of the foregoing, by:

- a) the provision of an Inpatient Unit, Outpatient centre, community service and bereavement service in the Kent and Medway area for such persons and their relatives and carers;

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b) to conduct, promote or encourage research into the care and treatment of patients with progressive life-threatening diseases and to publish the beneficial results of any research undertaken by the Charity;

c) to promote the principles and practice of palliative care throughout the wider community by assisting in multi professional training and education;

d) to provide and facilitate the provision of physical, social, and psychological care and spiritual help for patients, relatives or carers under the care of the Charity and for the colleagues and volunteers working with them.

Our vision

Our vision is that everyone living with a terminal illness in our community will achieve the best quality of life. We seek to achieve this by enabling people with a terminal illness in our community to live in comfort, with independence and dignity to the end of their lives, and to support those closest to them.

Our values and culture framework

Our culture, values and behaviours guide our decision making and how we conduct ourselves in our work. They ensure all patients, and their families receive the very best care day in and day out. Our values are Compassion, Integrity, Respect and Teamwork.

The Hospice has a culture framework which celebrates our values and helps colleagues and volunteers put these values into action. The culture framework includes four core behaviours; I care, I own, I learn, and I improve, with associated behavioural standards which run through how we recruit, develop, and retain our team.

Diversity and inclusion

The Hospice is committed to being an equal opportunities employer. This means that decisions concerning all aspects of employment will be based on the needs of the organisation and not any assumptions based on sex, race, age, disability, gender reassignment, sexual orientation, married or civil partnership status, pregnancy or maternity, religion, or belief. All colleagues are required to abide by equality, diversity, and inclusion principles.

Following an external equality, diversity and inclusion audit in August 2020 the Hospice has continued to move forward with the action plan based on the outcomes of this audit, particularly focusing on inclusivity. The Hospice is committed to providing skilled and compassionate care in a supportive environment based on mutual respect and trust, which recognises and values the difference of every individual, be they patient, carer, colleague volunteer or visitor. The Chief Executive is the executive sponsor of this work and is supported by colleagues in the Belonging Working Group.

A member of the Hospice team is appointed as the Hospice's Freedom to Speak up Guardian and they support colleagues to speak up when they feel that they are unable to do so by other routes.

Our strategic priorities

The Charity's five strategic priorities are:

- 1. Local care:** We will establish a model of local Hospice support throughout our communities.
- 2. Flexible, person-centred care:** We will develop our services so that they can meet a wide range of patient and family needs.
- 3. Specialist care:** We will provide specialised care to every patient and maintain our reputation as a centre of excellence.
- 4. Skilled, compassionate care:** We will be the organisation of choice for colleagues and volunteers.

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5. Care for our cause: We will enable our local community to regard the Hospice as the local cause to support.

Patient services provided

Heart of Kent Hospice is a specialist palliative care and end of life care provider, which offers support to patients with terminal illnesses including those with dementia. It has beds for up to ten inpatients and an outpatient Hospice Hub for all patients and carers to access. The Hospice currently cares for approximately 950 patients and their carers at any one time in the community.

The Hospice has embedded the use of outcome measures throughout all clinical areas using the Outcome Assessment Complexity Collaborative (OACC) national toolkit. This enables the clinical teams to understand better the patient and carer needs and measure individual and service outcomes for patients. The tools used as part of the OACC suite enables support and care to be delivered "at the right time, in the right place by the right person."

The Hospice offers a range of services which include:

Inpatient services

The Inpatient Unit has 10 single ensuite bedrooms and provides 24/7 care for patients, all year. Patients are looked after in the Inpatient Unit for a variety of reasons including:

- Short term assessment and management of patients with complex and/or unstable needs, be they physical, psychological, social or spiritual
- Rehabilitation and adaptation to changes in function associated with disease progression and/or treatment
- Care in last days of life
- Emergency respite care
- Care after death

Hospice Community Team

The Hospice Community Team provides high quality, seven day a week specialist palliative care advice for those patients with a progressive life limiting illness who are being cared for at home and to offer support to their family, carers, and friends. The team has a skill mix of Nurses, Paramedics and Healthcare Assistants, all who contribute to patients and carers being seen at the right time, in the right place by the right person.

They provide:

- Clinical assessment and ongoing support to maximise symptom control
- Twice weekly drop-in sessions via the Hospice Hub Outpatient appointments, home visits, telephone, or video assessments
- Advance care planning and support for patients with their preferences and wishes
- Advice and support for external healthcare professionals

Hospice Dementia Team

The Hospice Dementia Team takes referrals for dementia patients early on in their illness to enable advance care planning and offering support and education to patients and carers. The Head of the Dementia Team is supported by an experienced Clinical Nurse Specialist, Staff Nurse, and two Healthcare Assistants, and they all support patients and carers in their own homes or in care homes.

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They provide:

- A monthly Dementia Café held in Magnolia Place Outpatient Centre
- The Making Memories® programme, which is a weekly, six-week dementia programme for patients and their carers
- A carer support group with social work support providing pre-bereavement and post-bereavement support for carers
- 24-hour Dementia Helpline
- Formal and informal training for carers and healthcare professionals

The Care Home Team

The Care Home service recruited a new service lead at the start of 2023 and following the bedding in of the team, we are now seeing the impact that this service is having on the quality of end-of-life care provided in care homes that we are supporting. This service is funded by the Integrated Care Board (ICB) and the Team has a Social Worker, Administration support and Practice Development Nurse.

The aim of the service is to support patients to stay in their place of residence, avoiding unnecessary hospital admissions and provide emotional / psychological support for carers, and to educate and grow the Care Home staff confidence in end-of-life care.

The roles of the Hospice Community, Dementia and Care Home Teams are advisory and educational. The teams do not take over the day-to-day care of the patient but provide specialist palliative care advice and support for patients, carers, and healthcare professionals. They have an in-depth specialist knowledge of the assessment and management of physical, psychological, emotional, social, and spiritual needs to reduce symptoms, suffering and distress, including complex symptom management. The teams are also able to support in analysing complex clinical decisions where medical and personal interests are finely balanced by applying relevant ethical and legal reasoning alongside clinical assessment. They also provide multidisciplinary specialist advice, support, education, and training to the wider care team who is providing direct core level palliative care to the person.

Family Support Team

The Family Support Team provides counselling, social work for children, young people and families, welfare advice and chaplaincy support, led by our Spiritual Lead with volunteer support, to all patients in the community and within the Outpatient Centre and Inpatient Unit. This support is offered pre-bereavement to the patients and/or their carers, at the time of the death and into bereavement.

Working in close liaison with the primary health care team, the Family Support Team provides:

- Pre and post bereavement counselling
- Family and children support
- Welfare support
- Spiritual Care
- Compassionate Neighbours

Towards the end of 2021 the clinical teams reviewed the previous Living Well model of outpatient services and agreed to change the offering to patients and carers to a more flexible and accessible Hospice Hub drop-in model.

The Hospice Hub programme is held in Magnolia Place within the Hospice and is as follows:

- Monday and Thursday: Drop-in sessions with no referral required for patients and carers. This hub model provides a one-stop-shop to access support with symptom and pain control, advance care planning, social support, spiritual, emotional, and welfare support.
- Tuesday: The Dementia team run the Making Memories® programme

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- Wednesday: Bereavement drop-in group, supporting families and loved ones process grief and bereavement in a social setting. Individual bereavement counselling is also available.
- Friday: Twice a month, in partnership with the Motor Neurone Disease Association (MNDA), a drop-in group is run for patients with Motor Neurone Disease.
- Saturday: Once a month a Dementia Café is run in the Hospice, for people with Dementia and their carers and loved ones to attend.
- Saturday: Once a month a "Time for You" family session is run in the Hospice, these are drop-in, no appointment necessary sessions providing anticipatory grief support for children and families.

Therapies

Occupational therapy and physiotherapy can be offered to Hospice patients on the Inpatient Unit and through the Hospice Hub as required.

Education and development

The Education Team provide internal and external clinical training including, clinical statutory and mandatory training sessions where the Education Team supports colleagues to achieve the clinical competencies as required.

The Education Team also provide training on all aspects of palliative and end-of-life care including providing multidisciplinary specialist advice, support, education, and training to the nursing homes and other healthcare professionals who are providing direct core level palliative care to the person. They are part of the Kent and Medway Collaborative for training and education and provide Kent County Council funded training for care homes.

Heart of Kent Hospice has become a regional provider for Accredited Gold Standards Framework training for care homes and domiciliary care agencies and facilitates the European Certificate in Essential Palliative Care (ECEPC) distance learning course which is aimed at helping professionals consolidate and develop their palliative care confidence and expertise. The course is also designed to meet the needs of healthcare professionals new to specialist palliative care services who wish to establish a strong foundation of knowledge on which to build specialist knowledge and skills.

The Education Team also support the Head of Inpatient Unit to ensure the standards required to deliver outstanding care on the Inpatient Unit are met. The Practice Development Nurse works with nurses on their induction, preceptorship and return to practice, as well as student nurses and the inpatient unit team to complete their practical and theoretical competencies.

The Hospice provides further education via ECHO (Extension of Community Healthcare Outcomes) networks, which is a shared learning Zoom platform supported by Hospice UK.

The Hospice COVID-19 Response 2022/23

During 2022/23, the Hospice continued to respond to the COVID-19 pandemic, and appropriately welcomed back patients and families into the Hospice.

The Community Teams recommenced home visits, whilst still offering choice of telephone or video assessments.

Patients and carers were able to physically come into the Hub for all sessions.

The Executive Team closely monitored the impact of "living with covid" on both colleagues and patient services.

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The Inpatient Unit continued to test patients as required and used personal protective equipment (face masks) for both patient and colleague safety. By the end of March 2023 teams were not required to wear masks unless respiratory symptoms were identified as a risk.

Education and training sessions returned to face-to-face, however in a number of incidences there was a preference to continue to deliver online sessions via video platforms.

During the COVID-19 pandemic, the Patient Services Director joined a daily local health economy meeting which included all local healthcare providers and took a system wide approach to information sharing and escalation of concerns. The frequency of this meeting reduced and continues to be held once a week. Being part of the Local Health Economy meetings has raised the Hospice profile and understanding of the Hospice's role as a local health provider.

The Hospice worked with the Integrated Care Board (ICB) and Acute Trusts to support Winter Pressures, in 2022/23 by collaborating in a number of projects:

- British Redcross Palliative Care Ambulance transfers from home / hospital to Hospice.
- Admitting Acute trust patients to two designated beds on IPU to facilitate hospital discharge.
- Joining the MTW Tele-tracking system for capacity / bed management.
- Working with RBLI to support patients with health advice out-of-hours once discharged into RBLI accommodation.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Quality Assurance

Following a routine inspection by the Care Quality Commission (CQC) in February 2017, the Hospice achieved an overall rating of Outstanding, gaining Outstanding in Caring and Responsive domains and Good in Safe, Effective and Well-Led. Monthly CQC monitoring started during the pandemic and is continuing as their model of inspection on need and risks identified. We participated in a Direct Monitoring Assessment with the CQC in January 2023, and the inspector found no reason, at that time, for further regulated activity / inspection.

Patient services report quarterly to the Clinical Governance Committee.

Monthly clinical management and medicines management meetings take place covering topics such as safeguarding, audit, complaints, and incidents. An Audit and Research Group meets every eight weeks, to review and monitor the core clinical audits and to ensure the implementation of any actions or learning from audit findings. It also encourages each clinical team to undertake at least two service specific audits per year. Monthly spot checks are carried out across clinical areas to ensure quality and standards are maintained.

Research studies have gradually resumed their activities in the year. In October 2022, the Hospice commenced participation in the CHELsea II study, which is researching the question of fluids or no fluids at end-of-life.

We also submitted data to the National Audit of Care at the End-of-Life (NACEL), which formed a case note review on 620 deaths across 69 hospices, in February 2023.

The Hospice submits quarterly data to Hospice UK's patient safety benchmarking programme. The data submitted and benchmarked includes bed data, patient falls, pressure ulcers and medicine errors and we are benchmarked as a small hospice (10 beds).

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The results from both studies have been disseminated and discussed amongst members of Clinical Governance Team, Clinical Management Teams and Audit and Research Group.

The Hospice has established a development framework to support colleagues' personal career development. Members of the senior nursing teams are supported to undertake Non-Medical Prescribing and Advanced Assessment Skills training. We are also supporting one Healthcare Assistant to complete the Nurse Associate Training, which is a route into becoming a qualified registered nurse.

In the Monckton Education Centre, we deliver the Hospice's external and internal programme of high-quality palliative and end-of-life care training courses. Bespoke training is carried out in nursing and care homes by the Education Team; this training can be supported by "experience days" on the Inpatient Unit.

Senior Clinicians attend the Kent and Medway ICB End of Life Group meetings monthly to work in collaboration with other agencies to formulate and implement a Kent and Medway ICB End of Life Strategy.

The Patient Services Director and Head of Hospice Dementia Team attend all relevant sector groups including a Dementia Strategic Implementation Group, a Cancer Improvement Group, plus Frailty and Ageing Well strategy meetings.

Colleagues from Family Support and People Services presented posters at the HUK Conference in November 2022.

Key Performance Indicators (KPIs)

The Hospice uses several KPIs and dashboards to monitor outputs achieved by activities. The Clinical Dashboard is produced monthly and consists of nine key metrics including, caseload, number of referrals, bed occupancy and IPU flow, and complaints. The Strategic KPIs are produced quarterly and consist of 20 KPIs, linked to each of the five strategic priorities with a baseline target set for each KPI.

Inpatient Unit

During the year to 31 March 2023 a total number of 3,238 bed days (2022: 3,245) were available. Within the period of the financial year there were 204 inpatient stays (2022: 192), of which 199 (2022: 189) were first admissions and 5 (2022: 3) were repeat admissions. The average length of an inpatient stay was 10 days (2022: 12).

Hospice Community and Dementia Teams

The multiskilled Hospice Community and Dementia Teams have efficiently met the demand of a busy and growing caseload. The average caseload during the year was 925 patients (2022: 916). with the increase in referral numbers and the length of time patients are remaining on the caseload during the year the actual caseload increased by 20% (2022: 7% increase).

During the year ended 31 March 2023, the total number of patients cared for by the Hospice Community and Dementia Teams was 1973, (2022: 1,640) of which the total referrals for both was 1034 (2022: 961). The breakdown of the total number of referrals is 777 (2022: 735) for the Hospice Community Team and 227 (2022: 226) for the Hospice Dementia Team.

Our Hospice Community Team conducted 1,213 (2022: 1,310) home visits, outpatient appointments, telephone and video assessments and made a total of 18,976 (2022: 20,935) telephone calls. Our Hospice Dementia Team conducted 338 home visits, telephone, and video assessments (2022: 272) and made a total of 4,306 telephone calls (2022: 3,863).

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During the year 709 patients died (2022: 621).

Family Support Team

The number of bereavement counselling referrals was 276 (2022: 272) and welfare referrals were 222 (2022: 169).

Information Technology

The Head of Information and Quality Assurance is responsible for the management of the range of Hospice databases and works closely with Heads of Departments and the Hospice's IT provider to facilitate best use and safe storage of available data.

This year we once again successfully met the Data Security and Protection toolkit requirements and the annual assessment we submitted was approved. This enables us to use NHS Connecting for Health systems and services such as N3. This will enable the medical and clinical teams at the Hospice to share and access relevant patient information in a secure manner and improve the overall coordination of care.

Clinical colleagues are using iPOS (Integrated Palliative Care Outcome Scale) to measure patient outcomes which will enable the Hospice to report into Public Health England's new Palliative Care Information Framework. Outcome measures are now being used to triage patients according to their needs.

We report internally on key performance indicators monthly and share information with Kent and Medway ICB as required for the grant in aid agreement. We also submit data to Hospice UK to enable us to benchmark drug incidents, and slips, trips and falls against local and national data.

Income Generation

Income is generated through a rolling programme of fundraising activity, lottery and our network of retail shops. The budget set for 2022/23 reflected the continued uncertainty surrounding the public's ability and appetite to participate again in fundraising activities with continued concerns around COVID-19. However, we responded with agility to the response received from supporters and adapted our fundraising programme accordingly. Our flagship mass participation fundraising events, including Bluebell Walk and Moonlit Walk, were particularly successful. Corporate fundraising was impacted the most, as we experienced more caution than usual from businesses when considering their charitable activities, and significant changes in primary contacts.

We are grateful to a number of high value supporters (trusts and major donors) for their on-going support of the Hospice.

Overall, fundraising exceeded our target during 2022/23 due to the generosity of some key individual supporters who made unsolicited donations.

Following the huge success of Elmer's Big Heart of Kent Parade in 2021, we launched our second art trail in partnership with Wild in Art and Aardman, Shaun in the Heart of Kent. This activity was officially announced in October 2022, and will take place in the summer of 2024. This project is funded by local businesses through sculpture sponsorship. We are particularly grateful to Maidstone Borough Council for their support as Presenting Partner.

Our retail shops completed their full first year of trade since before the pandemic. They had an ambitious sales target to reach, in line with pre-pandemic activity, which they achieved. The period leading up to Christmas was particularly successful with higher than average sales for this time of year. Increased

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expenditure in rent, utilities and resource meant that overall in retail, the net income target was not achieved.

The Finance and Income Generation Committee meets quarterly to oversee income generation activity and monitor progress.

Expenditure on raising funds (not including other trading expenses – note 7) increased by 30% in the year ended 31 March 2023 compared to the prior year, predominantly due to the increased level of fundraising activity we were able to deliver, (the prior year programme was limited due to the on-going impact of the pandemic), and increased salary costs. In addition, as noted below, we also engaged Professional Fundraisers to recruit players to our weekly lottery.

Fundraising Regulation and Compliance

Heart of Kent Hospice is registered with the Fundraising Regulator and is an organisational member of the Chartered Institute of Fundraising. Our lottery is registered with The Gambling Commission. Our supporter promise is published on our website and outlines our commitment to our supporters.

Each year members of the fundraising and finance team are invited to attend regulation and compliance training (compulsory for new starters and every three years for the rest of the team). This training includes guidance on how to identify and support vulnerable people. All team members are encouraged and expected to keep abreast of specific changes, risks and opportunities in their specialist area.

The Hospice monitors and manages its fundraising regulation and compliance through a combination of training programmes, internal processes, internal audits and quarterly management reporting. This takes into consideration the collection and use of personal data, frequency of contact, how to identify and support vulnerable people and compliance and regulatory requirements.

All colleagues are held accountable to our supporter promise and organisational behaviour framework.

In adherence with the Fundraising Regulator's best practice (the code of Fundraising Practice), and General Data Protection Regulations (GDPR), our fundraising communications schedule is overseen by the Head of Fundraising and Communications and the Data Protection Officer (DPO).

The Hospice is registered with the Fundraising Preference Service and received one request in the year ended 31 March 2023.

Other regulatory bodies that the Hospice adheres to are the Committee of Advertising Practice (CAP), which governs non broadcast advertisements, sales promotions and direct marketing communications and the Privacy and Electronic Communications Regulations (PECR), which is law in the UK and has rules on marketing calls, emails, texts and faxes, the use of cookies, keeping communication services secure and customer privacy.

During 2022/23 all fundraising was conducted by the Hospice's team of employed fundraisers. No complaints were received with regards to fundraising throughout the course of the year.

A professional fundraising agency was recruited to canvass new players to Heart of Kent Hospice Promotions (Lottery) in order to address the decline in players experienced in recent years. All best practice guidance provided by the Chartered Institute of Fundraising were followed. No formal complaints were received; however, one compliment and two adverse comments were received predominantly regarding opinions on door-to-door fundraising activity. All adverse comments were investigated to identify learnings and responded to appropriately.

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One commercial participator agreement was in place during 2022/23 relating to the sale of tickets and season tickets at Maidstone United. Two commercial partner agreements also acknowledge preferential rates for storage and services which the Hospice would otherwise need to pay for.

FINANCIAL REVIEW

As reported in the Consolidated Statement of Financial Activities for the year, the Hospice's results for the year ended 31 March 2023 show a surplus of £60k, which compared to a surplus of £968k for the previous year.

Total income for the year was £6.1m, compared to £6.5m in 2021/22 which was a particularly good result, given that we did not have the benefit of NHS England COVID-19 capacity grant funding that had bolstered the income in the prior year by £677k. It was a positive year for legacies, gifts in will and donations, alongside some additional funding from the ICB that has meant the 2022/23 financial results have been substantially better than the £840k budgeted deficit.

The grant received from Kent and Medway Integrated Care Board (ICB) under a grant agreement of £1,103k (2022: £964k), amounted to approximately 18% of total expenditure (2022: 18%), which means that the Hospice must obtain at least 82% of its funding from other sources. The Kent and Medway Hospices continue to collaborate together, working with the Kent and Medway ICB to achieve additional and appropriate levels of funding for the adult specialist and palliative end of life care services that we provide.

An analysis of the income for the year is shown in note 4 to 6 of the accounts.

The resources expended in delivering our charitable activities and services (note 8) increased by nearly 11%, reflecting the investments made in service development, the impact of the pay terms and conditions review, and the increase in the number of patients and families we are reaching.

Of the funds raised, £2.1m (2022: £2.0m) was utilised in generating the funds themselves (note 7), the majority of which relates to the operating costs of the two trading subsidiaries.

A deficit budget of £1.03m has been set for 2023/24 and the challenge facing the Hospice in the short term is how in an increasingly challenging economy, with high inflation and rising costs, it can both protect services, manage the increasing demands of our community and return to an operationally balanced financial position.

The Hospice has a detailed five-year recovery plan, with a clear strategy and set of income generation goals, so that we are not faced with having to consider the reduction or removal of some of the clinical services that we offer, in order to maintain the ongoing future for the Hospice.

RESERVES POLICY

The Trustees have reviewed the reserves policy and they continue to require the Hospice to hold free reserves to ensure both the financial security and the operational flexibility of the Hospice. The target for the reserves (as measured by the unrestricted general fund, including undesignated fixed assets offset by long term creditors) was last reviewed in 2022 and was set to a target of between £1.8m (minimum) to £2.5m (maximum) based on estimated costs of closure for the Hospice and its trading subsidiaries.

On 31 March 2023, the Charity's free reserves amount to £3.63m (2021/22: £3.59m) with consolidated designated funds of £2.83m (2021/22: £2.78m). The consolidated restricted funds on 31 March 2023 were £0.03m (2021/22: £0.05m). Total consolidated funds on 31 March 2023 were £6.49m (2021/22: £6.42m).

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The budgeted loss for 2023/24 of £1.03m would result in general reserves of £2.6m as of 31 March 2024. However, additional grant funding will be required from the Kent and Medway ICB alongside our fundraising and retail income, to be able to maintain reserves at this level and provide a sustainable level of income to support our services.

Given the current uncertain economic climate coupled with high inflation and rising costs, the Trustees will continue to monitor the appropriateness of the reserves policy.

GOING CONCERN

Accounting standards require the Trustees to consider the appropriateness of the going concern basis when preparing the financial statements. The Trustees confirm that they consider that the going concern basis remains appropriate.

The Trustees regard the going concern basis as remaining viable as the Charity has adequate resources to continue in operational existence for the foreseeable future on the basis that there are adequate cash reserves within the Charity.

Investment Policy and Returns

The Trustees are permitted by the Charity's Memorandum and Articles of Association to invest the monies of the Trust not immediately required for its own purpose in such investments, securities or property as may be thought fit.

Investment movements in the year ended 31 March 2023 was a loss of £7,521 (2022: £7,697 gain).

Given the current financial climate and other global factors impacting then it was expected that our investments would fluctuate over the short term but will receive a positive return over the longer term. The portfolio valuation and performance are monitored closely.

The Executive regularly monitors the cashflow requirements of the charity and reports to Trustees, striving to secure competitive interest rates where applicable by considering the most appropriate vehicles for investing the funds, taking account of interest rates, credit and interest rate risks and terms to maturity.

The Hospice has adopted an ethical investment approach to ensure that its investments do not conflict with its aims and therefore precludes direct or indirect investments in companies that generate revenues from tobacco or arms and those companies whose principal activity is either gambling or pornography.

As well as considering ethical investments the Hospice will also consider the Environmental, Social and Governance (ESG) stewardship policies of investments to ensure that these factors as well as financial return are used to evaluate potential stocks for a portfolio.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit. The charitable purpose of Heart of Kent Hospice is stated in its 'Objectives and Activities' and the Trustees ensure that this purpose is carried out for the public benefit by working to these objectives.

Special acknowledgement to colleagues, volunteers, and advisors

The Board of Trustees wishes to record its appreciation of the Hospice's highly committed colleagues and volunteers who generously and unstintingly give their time, skills, and expertise. The continued commitment to make a difference in such challenging times is inspiring. We are delighted that the majority of our volunteers have returned to providing their support in person in 2023.

THE HEART OF KENT HOSPICE

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Hospice is fortunate to have in the region of 550 volunteers who make a contribution to the Hospice which is worth over £1m in time. The Hospice could not survive in its present form without the support of its generous volunteers who offer their contributions in all aspects of Hospice activity; this includes clinical, administrative and income generation roles.

The Board is grateful for the valuable help and assistance received from its professional advisers.

REMUNERATION POLICY

The remuneration of key management colleagues is reviewed by a subcommittee of the Hospice's Board of Trustees to ensure it is competitive with the charity sector, proportionate to the complexity of each role and in line with our charitable objectives and values. A review is conducted at least every three years of pay, terms and conditions of all colleagues to ensure they are fair and competitive.

Future Plans

The Hospice has a three-year Strategic Plan in place which covers the years 2021/22 to 2023/24. The five strategic priorities are listed above under the heading: Our strategic priorities, and the full plan can be found on our website (www.hokh.org). The strategic plan for 2024/25 and beyond is being developed collaboratively between the Executive team, colleagues, and the Board of Trustees.

Trustees' responsibilities statement

The Trustees (who are also directors of The Heart of Kent Hospice for purposes of company law) are responsible for preparing the Trustees' 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 charitable company and the group and of the income resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

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

Disclosure of information to auditor

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 group's auditor is unaware, and

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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

- that 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 group's auditor is aware of that information.

Approved by order of the members of the board of Trustees and signed on their behalf by:



.....
Ann Millington
Chair

Date: 22/9/2023

THE HEART OF KENT HOSPICE

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS FOR THE YEAR ENDED 31 MARCH 2023

Opinion

We have audited the group and parent company financial statements of The Heart of Kent Hospice ("the charitable company") for the year ended 31 March 2023, which comprise the Consolidated Statement of Financial Activities, the 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2023 and of the group's 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 the charity'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 annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS FOR THE YEAR ENDED 31 MARCH 2023

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' report, which includes the directors' report and strategic report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and the strategic report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report or strategic report included within the trustees' report.

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

- the parent charitable company has not kept adequate and proper accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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 trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS FOR THE YEAR ENDED 31 MARCH 2023

We obtained an understanding of the legal and regulatory framework applicable to the preparation of the financial statements of the group and the procedures that management adopt to ensure compliance. We have considered the extent to which non-compliance might have a material effect on the financial statements, and in particular we identified the Companies Act 2006, FRS102 and the Charities SORP.

We have also identified other laws and regulations that do not have a direct effect on the amounts or disclosures within the financial statements, but for which compliance is fundamental to the charity's operations and to avoid material penalties, including GDPR, Care Quality Commission (CQC) regulation, Gambling Commission regulation, health and safety and employment law.

Having reviewed the laws and regulations applicable to the group, we designed and performed audit procedures to obtain sufficient appropriate audit evidence. Specifically, we:

- Selected a team with sector experience to perform the audit;
- Obtained an understanding of the charity's procedures for ensuring compliance with laws and regulations;
- Obtained and reviewed internal policy and procedure documents;
- Made enquiries of management and the trustees regarding whether they were aware of any actual or suspected incidences of non-compliance with laws and regulations;
- Obtained and reviewed meeting minutes;
- Obtained and reviewed correspondence with, and reports from, the key regulators;
- Interviewed key staff responsible for compliance with the CQC regulations;
- Reviewed legal expenses accounts for indications of any possible non-compliance; and
- Reviewed the completeness and accuracy of any disclosures made in the financial statements.

We assessed the susceptibility of the group's financial statements to material misstatement, including considering how fraud might occur. This was performed by:

- Making an assessment of the group's control environment, systems and controls including identifying any weaknesses and considering the risk of management override of controls;
- Assessing the susceptibility of the group's financial statements to material misstatement, including considering how fraud could occur;
- Considering whether there are any incentives or opportunities for management to manipulate financial results;
- Obtaining and evaluating the trustees' assessment of the risk of fraud, and enquiring as to whether they are aware of any actual or suspected incidences of fraud;
- Reviewing the accounting policies and accounting estimates for signs of management bias; and
- Identifying key risks relating to irregularities as relating to the completeness, classification and cut-off of income, the accounting for legacies receivable, the identification and application of restricted funds, and the risk of management override of controls.

We then designed audit procedures in response to the risks identified, including performing substantive testing on all material income streams, reviewing the accounting policy for legacies and examining supporting documentation such as Wills and executor correspondence, performing substantive testing on restricted funds and reviewing journal entries and key accounting estimates.

The audit has been planned and performed in accordance with auditing standards, however, because of the inherent limitations of audit procedures there remains a risk that we will not detect all irregularities, including those that may lead to material misstatements in the financial statements. There are inherent difficulties in detecting irregularities, and irregularities that result from fraud may be more difficult to detect than irregularities that result from error, for example due to concealment, override of controls, collusion or misrepresentations. In addition, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less audit procedures are able to identify it.

THE HEART OF KENT HOSPICE

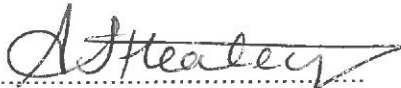
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
FOR THE YEAR ENDED 31 MARCH 2023**

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



A S Healey FCA CTA DChA
Senior Statutory Auditor

For and on behalf of:

Lindeyer Francis Ferguson Limited

Statutory Auditors
Chartered Accountants

Date: 25/10/23

North House
198 High Street
Tonbridge
Kent TN9 1BE

THE HEART OF KENT HOSPICE

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023

		<i>Unrestricted funds 2023</i>	<i>Restricted funds 2023</i>	<i>Total funds 2023</i>	<i>Total funds 2022</i>
	Note	£	£	£	<i>As restated £</i>
Income from:					
Donations and legacies	4	3,409,251	151,613	3,560,864	4,362,921
Charitable activities	5	775,191	-	775,191	366,593
Other trading activities	6	1,740,155	-	1,740,155	1,722,648
Interest receivable		43,061	-	43,061	889
Other		1,505	-	1,505	3,038
Total		<u>5,969,163</u>	<u>151,613</u>	<u>6,120,776</u>	<u>6,456,089</u>
Expenditure on:					
Raising funds	7	2,142,311	-	2,142,311	1,972,515
Charitable activities	8	3,779,994	135,310	3,915,304	3,520,744
Total		<u>5,922,305</u>	<u>135,310</u>	<u>6,057,615</u>	<u>5,493,259</u>
Net income before net gains on investments					
		46,858	16,303	63,161	962,830
Net (losses) / gains on investments		(7,251)	-	(7,251)	7,697
Net income before taxation					
		39,607	16,303	55,910	970,527
Taxation credit / (charge)		4,187	-	4,187	(3,018)
Net income					
		43,794	16,303	60,097	967,509
Transfers between funds		40,761	(40,761)	-	-
Net movement in funds					
		84,555	(24,458)	60,097	967,509
Reconciliation of funds:					
Total funds brought forward:					
As originally stated		6,328,266	51,591	6,379,857	5,446,806
Prior period restatement	3	44,779	-	44,779	10,321
As restated		<u>6,373,045</u>	<u>51,591</u>	<u>6,424,636</u>	<u>5,457,127</u>
Total funds carried forward		<u>6,457,600</u>	<u>27,133</u>	<u>6,484,733</u>	<u>6,424,636</u>

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

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CONSOLIDATED AND CHARITY BALANCE SHEETS
AS AT 31 MARCH 2023

	Note	Group 2023 £	Group 2022 As restated £	Charity 2023 £	Charity 2022 As restated £
Fixed assets					
Tangible assets	12	2,761,404	2,745,685	2,706,490	2,708,487
Intangible assets	13	9,730	-	9,730	-
Fixed asset investments	14	300,446	307,697	300,449	307,700
		<u>3,071,580</u>	<u>3,053,382</u>	<u>3,016,669</u>	<u>3,016,187</u>
Current assets					
Stocks: finished goods for resale		13,246	11,734	-	-
Debtors	15	963,093	889,412	2,151,776	1,671,983
Cash at bank and in hand		3,094,845	3,160,435	1,652,229	2,190,941
		<u>4,071,184</u>	<u>4,061,581</u>	<u>3,804,005</u>	<u>3,862,924</u>
Creditors: amounts falling due within one year	16	<u>(658,031)</u>	<u>(686,140)</u>	<u>(445,802)</u>	<u>(530,685)</u>
Net current assets		<u>3,413,153</u>	<u>3,375,441</u>	<u>3,358,203</u>	<u>3,332,239</u>
Provisions for liabilities					
Deferred taxation		-	(4,187)	-	-
Total net assets		<u><u>6,484,733</u></u>	<u><u>6,424,636</u></u>	<u><u>6,374,872</u></u>	<u><u>6,348,426</u></u>
The funds of the charity:					
Unrestricted funds		6,457,600	6,373,045	6,347,739	6,296,835
Restricted funds		27,133	51,591	27,133	51,591
	17	<u><u>6,484,733</u></u>	<u><u>6,424,636</u></u>	<u><u>6,374,872</u></u>	<u><u>6,348,426</u></u>

The financial statements were approved by the Board of Trustees on 2023 and were signed on its behalf by:

.....
Ann Millington
Chair

Company number: 2184005

THE HEART OF KENT HOSPICE

(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 <i>As restated</i> £
Cash flows from operating activities:			
Net cash provided by operating activities	A	50,967	688,198
Cash flows from investing activities:			
Purchase of tangible fixed assets		(154,040)	(79,018)
Purchase of intangible fixed assets		(9,730)	-
Purchase of investments		-	(300,000)
Bank interest received		43,061	889
Net cash used in investing activities		(120,709)	(378,129)
Change in cash and cash equivalents in the year		(69,742)	310,069
Cash and cash equivalents at the beginning of the year		3,154,407	2,844,338
Cash and cash equivalents at the end of the year	B	<u>3,084,665</u>	<u>3,154,407</u>
A. Reconciliation of net income to net cash flow from operating activities			
Net income		60,097	967,509
Prior period adjustment		-	10,321
Depreciation charges		138,321	143,615
Gains / (losses) on investments		7,251	(7,697)
Bank interest received		(43,061)	(889)
(Increase) / decrease in stocks		(1,512)	104,306
(Increase) in debtors		(73,681)	(233,927)
Decrease in creditors		(32,261)	(298,058)
(Decrease) / increase in provisions		(4,187)	3,018
Net cash provided by operating activities		<u>50,967</u>	<u>688,198</u>
B. Analysis of cash and cash equivalents			
Cash at bank and in hand		3,094,845	3,160,435
Overdraft facility repayable on demand		(10,180)	(6,028)
		<u>3,084,665</u>	<u>3,154,407</u>
C. Analysis of changes in net debt			
		<i>Cash at bank</i>	<i>Liquid investments</i>
At the beginning of the year		3,160,435	307,697
Cash flows		(65,590)	-
Gains / (losses)		-	(7,251)
At the end of the year		<u>3,094,845</u>	<u>300,446</u>

THE HEART OF KENT HOSPICE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 ACCOUNTING POLICIES

Basis of preparation of the financial statements

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)" (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The financial statements are presented in pounds sterling and rounded to the nearest pound.

Basis of consolidation

The consolidated financial statements incorporate those of the charity and its subsidiary undertakings on a line-by-line basis. All intra-group transactions and balances are eliminated on consolidation.

Going concern

The Trustees have assessed that there are no significant doubts over the charity's ability to continue as a going concern. As a result, the financial statements have been prepared on a going concern basis.

Income

Income from donations and grants is recognised when the charity is entitled to the funds, the receipt is probable and the amount can be measured reliably. For donations, this is usually on receipt. Donations under Retail Gift Aid and the associated tax recoverable are accounted for at the point of sale of the items donated. For grants, this is usually when a formal offer is made in writing, unless the grant contains terms and conditions outside of the charity's control which must be met before the charity is entitled to the funds. Where grants are received in response to a proposal including a budgeted timescale, such that the timescale for the expenditure is implicit in the grant agreement, the income is recognised in accordance with that timescale.

Income from legacies is reviewed on a case-by-case basis and recognised when the charity is entitled to the income, receipt is probable and the amount can be measured reliably. It is normally considered probable when there has been a grant of probate, the executors have established that there are sufficient assets in the estate to pay the legacy, and any conditions attached are within the control of the charity or have already been met.

Income from charitable activities is recognised in the period in which the relevant services are delivered. Income from performance-related grants in connection with the charitable activities is recognised to the extent that the performance-related criteria have been met.

Donated goods are measured at their estimated fair value, and donated facilities and services are measured on the basis of the amount the charity would pay in the open market for the facilities or services. The services of volunteers are not included in the financial statements. Due to the impracticalities inherent in estimating the fair value of a large volume of low-value items, donated goods for resale through the charitable group's shops are not recognised on receipt, but the value generated from their sale is included in income when the items are sold.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 ACCOUNTING POLICIES continued

Expenditure

Expenditure is recognised on the accruals basis when a present legal or constructive obligation exists at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and the amount can be estimated reliably, and includes irrecoverable VAT.

Expenditure on charitable activities includes the cost of services and support costs.

Expenditure on raising funds includes fundraising and publicity costs as well as the costs incurred by the non-charitable subsidiaries in pursuit of their trading activities.

Staff costs are allocated on the basis of time spent.

Support costs are those functions that assist the work of the charity but do not directly relate to the charitable activities, and include governance costs. They are allocated across the activities on a pro-rata basis with reference to the attributable direct and staff costs, being a measurement considered to be representative of the usage of the costs.

Fund accounting

General funds are unrestricted funds which can be used in accordance with the charitable objectives at the discretion of the Trustees.

Designated funds are a subset of unrestricted funds and represent funds set aside by the Trustees for specific future purposes or projects.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated realisable value of each asset over its expected useful life, as follows:

Freehold land	Not depreciated
Freehold buildings	2% on the straight line basis
Motor vehicles	25% on the straight line basis
Fixtures and fittings	20-30% on the straight line basis
Computer equipment	33% on the straight line basis

Assets costing less than £1,000 are not capitalised but are recognised as expenditure in the Statement of Financial Activities in the year incurred.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 ACCOUNTING POLICIES continued

Investments

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

Listed investments are initially recognised at their transaction cost and are subsequently measured at fair value at each reporting date, with changes in fair value recognised in the statement of financial activities.

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

Financial instruments

The group only has financial instruments of a kind that qualify as basic financial instruments. Short term basic financial instruments such as trade debtors and trade creditors are initially recognised at transaction value and subsequently measured at their settlement value. Long term basic financial instruments such as bank loans are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

Leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

Payments to defined contribution pension schemes are charged as an expense as they fall due.

The group also contributes to the National Health Service Scheme for some of its employees. However, the scheme is a multi employer defined benefit scheme and the group is therefore unable to identify its share of the underlying assets and liabilities.

Critical accounting estimates and areas of judgement

The main area of estimation uncertainty is in relation to the measurement of legacies receivable where the legacy represents a share of the residue of the estate. The estimate is made based on the percentage share given by the Will, information obtained from the executors as to the likely net value of the estate, and making allowance for expected taxes and fees.

2 STATUS

The Heart of Kent Hospice is a charitable company limited by guarantee incorporated in England and Wales. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is Preston Hall, Aylesford, Kent ME20 7PU.

THE HEART OF KENT HOSPICE

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

5 INCOME FROM CHARITABLE ACTIVITIES

	2023 £	2022 £
Performance-related grants and contractual income		
Inpatient services	297,779	281,382
Family support services	7,050	842
Community services	422,348	51,492
Education	48,014	32,877
	<u>775,191</u>	<u>366,593</u>

In the preceding period, income of £7,550 was restricted.

6 INCOME FROM OTHER TRADING ACTIVITIES

	2023 £	2022 £
Income from fundraising events	116,144	24,680
Rent	1,200	9,453
Income from non-charitable trading activities:		
Lottery income	312,254	341,784
Trading shops and ebay sales	1,310,557	1,346,731
	<u>1,740,155</u>	<u>1,722,648</u>

7 EXPENDITURE ON RAISING FUNDS

	2023 £	2022 £
Fundraising staff costs	405,021	370,294
Direct costs of fundraising	185,405	72,693
Support costs allocation	235,160	191,637
Expenditure on non-charitable trading activities:		
Lottery expenditure	138,040	136,839
Trading shops and ebay expenditure	609,732	687,487
Shops staff costs	550,894	496,453
Shops depreciation	18,059	17,112
	<u>2,142,311</u>	<u>1,972,515</u>

THE HEART OF KENT HOSPICE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

3 PRIOR PERIOD RESTATEMENT

The following adjustments have been made to correct errors in the prior period:

<i>Detail</i>	<i>Group Effect on result £</i>	<i>Group Effect on opening reserves £</i>	<i>Charity Effect on opening reserves £</i>
Recognition of Gift Aid distributions from subsidiaries for which there was no legal obligation as at 31 March 2021	-	-	(304,742)
Recognition of Retail Gift Aid at point of sale	34,458	10,321	51,857
Reclassification of listed investments from current assets to fixed assets (£307,697)	-	-	-
	<u>34,458</u>	<u>10,321</u>	<u>(252,885)</u>

In addition, based on a review of the nominal coding structure, some reclassifications between account categories have been made. The material changes were: Income from donations and legacies increased by £324,634, Income from charitable activities decreased by £312,508, Expenditure on raising funds increased and Expenditure on charitable activities decreased both by £94,486. There was no overall effect on the prior period result.

4 INCOME FROM DONATIONS AND LEGACIES

	<i>2023 £</i>	<i>2022 £</i>
Donations	1,198,759	972,039
Wild in Art donations and auction	-	352,839
Legacies	763,039	696,687
Grants	1,131,137	967,670
Trusts and foundations	390,741	696,861
COVID-19 funding	33,682	676,825
Gifts in kind	43,506	-
	<u>3,560,864</u>	<u>4,362,921</u>

In the preceding period, income of £824,731 was restricted.

THE HEART OF KENT HOSPICE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

8 EXPENDITURE ON CHARITABLE ACTIVITIES

	<i>Direct costs 2023 £</i>	<i>Direct staff costs 2023 £</i>	<i>Support costs 2023 £</i>	<i>Total 2023 £</i>
Inpatient services	169,230	1,570,858	693,056	2,433,144
Family support services	10,941	218,869	91,530	321,340
Community services	8,992	745,700	300,584	1,055,276
Education	369	75,112	30,063	105,544
	<u>189,532</u>	<u>2,610,539</u>	<u>1,115,233</u>	<u>3,915,304</u>
	<i>Direct costs 2022 £</i>	<i>Direct staff costs 2022 £</i>	<i>Support costs 2022 £</i>	<i>Total 2022 £</i>
Inpatient services	171,689	1,451,702	702,285	2,325,676
Family support services	7,968	182,746	82,504	273,218
Community services	16,357	554,126	246,793	817,276
Education	1,526	71,470	31,578	104,574
	<u>197,540</u>	<u>2,260,044</u>	<u>1,063,160</u>	<u>3,520,744</u>

9 SUPPORT COSTS

	<i>2023 £</i>	<i>2022 £</i>
Support costs comprise:		
Support staff costs	660,495	599,712
PR and communications	69,232	53,888
Premises costs	88,375	91,408
Insurance	19,071	15,947
Repairs and maintenance	89,687	64,457
IT costs	126,533	150,005
Depreciation	120,262	126,504
Other overheads	74,048	84,277
Governance costs:		
Legal and professional fees	85,222	59,759
Audit and accountancy	17,468	8,840
	<u>1,350,393</u>	<u>1,254,797</u>

In the preceding period, expenditure of £989,354 was applied to restricted funds.

THE HEART OF KENT HOSPICE

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

10 NET INCOME

	2023	2022
	£	£
Net income is stated after charging/(crediting):		
Government grants	(1,131,137)	(967,670)
Operating lease rentals	282,893	253,555
Auditors' remuneration for audit services	13,500	12,252
Auditors' remuneration for non-audit services	2,350	4,022
	<u> </u>	<u> </u>

As permitted by s408 Companies Act 2006, the parent charity has not presented its own Statement of Financial Activities and related notes. The parent charity's net movement in funds for the year was £26,449 (2022: as restated £1,396,080).

11 STAFF COSTS

	2023	2022
	£	£
Gross salaries	3,671,145	3,251,279
Employer's National Insurance contributions	332,596	282,425
Employer's pension contributions	223,208	192,799
	<u> </u>	<u> </u>
	<u>4,226,949</u>	<u>3,726,503</u>

The average number of persons employed by the group during the year was:

	2023	2022
	No.	No.
Fundraising	12	11
Inpatient services	42	41
Family support services	8	7
Community services	14	14
Education	2	2
Management	22	22
Finance	5	5
Catering	8	7
Trading subsidiaries	30	26
Dementia	5	4
Care homes	3	-
	<u> </u>	<u> </u>
	<u>151</u>	<u>139</u>

THE HEART OF KENT HOSPICE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

11 STAFF COSTS continued

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

	2023	2022
	No.	No.
In the band £60,001 - £70,000	2	-
In the band £70,001 - £80,000	1	4
In the band £80,001 - £90,000	1	-
In the bank £90,001 - £100,000	1	1

Pension contributions in respect of higher paid staff totalled £16,146 (2022: £15,011).

During the year, 15 (2022: 16) employees were accruing pensions under the defined contribution pension scheme, 76 (2022: 73) under the NEST scheme, 34 (2022: 26) under the NHS multi-employer defined benefit pension scheme, and 1 (2022: 1) under a clerical medical scheme.

12 TANGIBLE FIXED ASSETS

Group	<i>Hospice building</i> £	<i>Freehold property</i> £	<i>Motor vehicles</i> £	<i>Fixtures, fittings & equipment</i> £	<i>Total</i> £
Cost					
At 1 April 2022	3,821,525	532,469	69,874	745,854	5,169,722
Additions	26,515	-	-	127,525	154,040
Disposals	-	-	-	(25,213)	(25,213)
At 31 March 2023	<u>3,848,040</u>	<u>532,469</u>	<u>69,874</u>	<u>848,166</u>	<u>5,298,549</u>
Depreciation					
At 1 April 2022	1,670,121	63,896	64,617	625,403	2,424,037
Charge for the year	74,366	10,650	5,257	48,048	138,321
Eliminated on disposal	-	-	-	(25,213)	(25,213)
At 31 March 2023	<u>1,744,487</u>	<u>74,546</u>	<u>69,874</u>	<u>648,238</u>	<u>2,537,145</u>
Net book value					
At 31 March 2023	<u>2,103,553</u>	<u>457,923</u>	<u>-</u>	<u>199,928</u>	<u>2,761,404</u>
At 31 March 2022	<u>2,151,404</u>	<u>468,573</u>	<u>5,257</u>	<u>120,451</u>	<u>2,745,685</u>

THE HEART OF KENT HOSPICE

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

12 TANGIBLE FIXED ASSETS continued

The net book value of assets held for fundraising in the trading subsidiaries as opposed to direct charitable activities was £54,914 (2022: £37,198).

The value included in freehold property for land that is not depreciated is £226,300 (2022: £226,300).

Barclays Bank plc have a charge over the property known as Old Transport Building Royal British Legion, Aylesford, Kent ME20 7NL.

Charity	Hospice building £	Freehold property £	Motor vehicles £	Fixtures, fittings & equipment £	Total £
Cost					
At 1 April 2022	3,821,525	532,469	9,500	439,820	4,803,314
Additions	26,515	-	-	91,750	118,265
Disposals	-	-	-	(4,615)	(4,615)
At 31 March 2023	3,848,040	532,469	9,500	526,955	4,916,964
Depreciation					
At 1 April 2022	1,670,121	63,896	7,125	353,685	2,094,827
Charge for the year	74,366	10,650	2,375	32,871	120,262
Eliminated on disposal	-	-	-	(4,615)	(4,615)
At 31 March 2023	1,744,487	74,546	9,500	381,941	2,210,474
Net book value					
At 31 March 2023	2,103,553	457,923	-	145,014	2,706,490
At 31 March 2022	2,151,404	468,573	2,375	86,135	2,708,487

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

13 INTANGIBLE ASSETS

Group and Charity	Website £
Cost	
At 1 April 2022	-
Additions	9,730
	<hr/>
At 31 March 2023	9,730
	<hr/>
Depreciation	
At 1 April 2022	-
Charge for the year	-
	<hr/>
At 31 March 2023	-
	<hr/>
Net book value	
At 31 March 2023	9,730
	<hr/> <hr/>
At 31 March 2022	-
	<hr/> <hr/>

14 INVESTMENTS

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Listed investments	300,446	307,697	300,446	307,697
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The charity also has investments of £3 (2022: £3), representing holdings of 100% of the ordinary share capital in Heart of Kent Hospice Promotions Limited and Heart of Kent Hospice Trading Limited. Both subsidiaries are companies limited by share capital registered in England and Wales with number 3233475 and 2547686 respectively. The registered office of each subsidiary is the same as the parent entity. Their principal activities are the running of a lottery and the operation of trading shops respectively. Both are included in the consolidated financial statements.

The financial results of the subsidiaries for the year were:

	Income £	Expenditure and tax £	Profit / (loss) £	Net assets £
Heart of Kent Hospice Promotions Limited	312,254	(312,254)	-	3,106
Heart of Kent Hospice Trading Limited	1,316,891	(1,283,240)	33,651	106,758
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE HEART OF KENT HOSPICE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

15 DEBTORS

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Trade debtors	93,310	61,739	90,910	59,517
Amounts owed by group undertakings	-	-	1,265,594	849,330
Other debtors	146,717	70,415	132,084	65,978
Prepayments and accrued income	723,066	757,258	663,188	697,158
	<u>963,093</u>	<u>889,412</u>	<u>2,151,776</u>	<u>1,671,983</u>

Contingent asset

As at the balance sheet date, the group and charity have been notified of a legacy which has not been recognised as it does not meet the criteria for recognition given in the accounting policy noted. The legacy is residuary and the estimated amount receivable is £86,500 (2022: £Nil).

16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Bank overdrafts	10,180	6,028	-	-
Trade creditors	187,208	155,362	117,795	95,514
Amounts owed to group undertakings	-	-	-	19,736
Other creditors	88,575	70,080	87,049	69,581
Accruals and deferred income	372,068	454,670	240,958	345,854
	<u>658,031</u>	<u>686,140</u>	<u>445,802</u>	<u>530,685</u>

The movement on deferred income is as follows:

	2023 £	2022 £
Group		
Balance at 1 April 2022	160,228	505,055
Released to income	(160,228)	(505,055)
Received in the year and deferred	182,186	160,228
	<u>182,186</u>	<u>160,228</u>
Balance at 31 March 2023	<u>182,186</u>	<u>160,228</u>

Deferred income relates to multi-year grant income which has been recognised in accordance with the accounting policy above, contractual income in advance and lottery subscriptions paid in advance.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

17 MOVEMENT ON FUNDS

CURRENT YEAR	<i>As restated Brought forward £</i>	<i>Income £</i>	<i>Expenditure and tax £</i>	<i>Transfers, gains/losses £</i>	<i>Carried forward £</i>
Restricted funds					
Capital projects	28,224	6,943	(2,105)	(31,386)	1,676
Inpatient unit	500	4,693	(4,693)	-	500
Dementia and Community Team	6,093	19,694	(25,787)	-	-
Compassionate Neighbours	1,535	5,000	(6,535)	-	-
Family Support Team & Living Well	5,647	24,264	(19,536)	-	10,375
Hospice UK	-	45,791	(42,859)	(2,932)	-
MND support group	-	10,200	(10,200)	-	-
Other	9,592	35,028	(23,595)	(6,443)	14,582
	<u>51,591</u>	<u>151,613</u>	<u>(135,310)</u>	<u>(40,761)</u>	<u>27,133</u>
Unrestricted funds					
General fund	3,590,726	4,346,352	(4,213,311)	(92,248)	3,631,519
Designated funds:					
Fixed asset fund	2,706,109	-	(115,647)	125,758	2,716,220
Trading subsidiary fund	76,210	1,622,811	(1,589,160)	-	109,861
	<u>6,373,045</u>	<u>5,969,163</u>	<u>(5,918,118)</u>	<u>33,510</u>	<u>6,457,600</u>
Total funds	<u>6,424,636</u>	<u>6,120,776</u>	<u>(6,053,428)</u>	<u>(7,251)</u>	<u>6,484,733</u>

THE HEART OF KENT HOSPICE

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

17 MOVEMENT ON FUNDS continued

PRIOR YEAR: As restated	Brought forward £	Income £	Expenditure and tax £	Transfers, gains/losses £	Carried forward £
Restricted funds					
Capital projects	8,350	58,291	(7,567)	(30,850)	28,224
Inpatient unit	2,482	500	(2,482)	-	500
Dementia and Community Team	30,737	40,775	(65,419)	-	6,093
Compassionate Neighbours	28,000	7,000	(33,465)	-	1,535
Family Support Team & Living Well	14,038	400	(8,791)	-	5,647
Hospice UK	155,907	676,825	(832,732)	-	-
MND support group	-	2,550	(2,550)	-	-
Other	-	45,940	(36,348)	-	9,592
	<u>239,514</u>	<u>832,281</u>	<u>(989,354)</u>	<u>(30,850)</u>	<u>51,591</u>
Unrestricted funds					
General fund	2,417,140	4,198,386	(3,166,015)	141,215	3,590,726
Designated funds:					
Fixed asset fund	2,295,692	-	-	410,417	2,706,109
Trading subsidiary fund	504,781	1,425,423	(1,340,909)	(513,085)	76,210
	<u>5,217,613</u>	<u>5,623,809</u>	<u>(4,506,924)</u>	<u>38,547</u>	<u>6,373,045</u>
Total funds	<u>5,457,127</u>	<u>6,456,090</u>	<u>(5,496,278)</u>	<u>7,697</u>	<u>6,424,636</u>

Fixed asset fund

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 the parent charity's tangible fixed assets. The transfers between the unrestricted general fund, restricted funds and the fixed asset fund represents the additions in the year. Other movements are for depreciation and profit or loss on disposal.

THE HEART OF KENT HOSPICE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Total funds £</i>
CURRENT YEAR			
Fixed assets	3,071,580	-	3,071,580
Net current assets	3,386,020	27,133	3,413,153
Provisions for liabilities and charges	-	-	-
	<u>6,457,600</u>	<u>27,133</u>	<u>6,484,733</u>
PRIOR YEAR as restated			
Tangible fixed assets	2,745,685	-	2,745,685
Fixed asset investments	307,697	-	307,697
Net current assets	3,323,850	51,591	3,375,441
Provisions for liabilities and charges	(4,187)	-	(4,187)
	<u>6,373,045</u>	<u>51,591</u>	<u>6,424,636</u>

19 PENSION COMMITMENTS

The charity operates three (2022: three) defined contribution pension schemes available to the majority of its permanent employees. The scheme funds are administered by Trustees of the pension scheme and are independent of the charity's finances. During the year, £82,914 (2022: £85,595) employers' contributions were made. Contributions totalling £Nil (2022: £Nil) were payable to the funds at the balance sheet date and are included in other creditors.

The charity also makes contributions to the National Health Service Schemes for certain employees. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. The schemes 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 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:

THE HEART OF KENT HOSPICE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

19 PENSION COMMITMENTS continued

a) 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 2023, is based on valuation data as 31 March 2022, updated to 31 March 2023 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.

b) 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 actuarial valuation as at 31 March 2020 is currently underway and will set the new employer contribution rate due to be implemented from April 2024.

The Hospice's contributions to the National Health Service Scheme represent a minor proportion of the payments into the scheme. The charge included within the Consolidated Statement of Financial Activities includes contributions payable to this scheme of £132,699 (2022: £106,526).

THE HEART OF KENT HOSPICE

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

20 FINANCIAL COMMITMENTS

At 31 March 2023 the group and parent charity were committed to future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Parent charity:		
Due within one year	4,704	18,816
Due in two to five years	-	4,704
Due in more than five years	-	-
	<u>4,704</u>	<u>23,520</u>
Group:		
Due within one year	175,533	209,731
Due in two to five years	211,625	356,576
Due in more than five years	-	-
	<u>387,158</u>	<u>566,307</u>

21 CAPITAL COMMITMENTS

	2023 £	2022 £
Group and Charity		
Contracted but not provided for at the balance sheet date	91,478	-
	<u>91,478</u>	<u>-</u>

22 RELATED PARTY TRANSACTIONS

The key management personnel are considered to be the trustees and the executive team.

There were no trustees' remuneration nor other benefits during the current or preceding period. Expenses totalling £20 (2022: £135) were reimbursed to 1 (2022: 2) trustee(s) in relation to membership subscriptions. An amount of £Nil (2022: £400) was paid directly by the group for Reach Volunteering, a registration fee for Hospice Trustees.

The total amount of employee benefits (including employer's pension contributions) received by key management personnel during the year was £499,805 (2022: £410,446).

THE HEART OF KENT HOSPICE

England & Wales - Charity number 298164

Accounts

Registered number: 2184005
Charity number: 298164

THE HEART OF KENT HOSPICE
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

THE HEART OF KENT HOSPICE
(A company limited by guarantee)

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THE HEART OF KENT HOSPICE
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022**

Patron	Marianna, Viscountess Monckton of Brenchley
Trustees	Mr J Barker-McCardle, Chair (resigned 17 May 2022) Ms A Millington (appointed 8 November 2021) Mr C J Collins (resigned 15 September 2021) Mrs S G St C Cooper Mr R E Fedorcio OBE Mr G Hodnett Mrs E M Howe OBE Mr G Hunter, Deputy Chair Dr N Jegard Mr S R B Langworthy, Honorary Treasurer Miss S Pain Ms R Parris (appointed 8 November 2021) Mrs L Potts Ms E Price (appointed 8 November 2021) Mr H T B Smith Mr S Thompson (appointed 8 November 2021) Ms L Vui (appointed 8 November 2021)
Company registered number	2184005
Charity registered number	298164
Registered office	The Heart of Kent Hospice Preston Hall Aylesford Kent ME20 7PU
Chief executive officer	Ms R Street (appointed 22 November 2021)
Senior management team	Mrs K Harrison, Patient Services Director Dr G Parker MBBS (Lond) FRCP, Lead Medical Consultant Ms A Kelly, Income Generation Director Mr S Webster, Finance Director (resigned 31 January 2022) Mrs K Dackombe, Finance Director (appointed 20 April 2022)
Independent auditors	MHA MacIntyre Hudson Maidstone United Kingdom
Bankers	Barclays Bank plc Fremlin Walk Maidstone Kent ME14 1QG

THE HEART OF KENT HOSPICE
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Solicitors	Cripps LLP Number 22 Mount Ephraim Tunbridge Wells Kent TN4 8AS
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THE HEART OF KENT HOSPICE
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report together with the audited financial statements of the group and the company for the year to 31 March 2022. The Trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Heart of Kent Hospice is a charity, number 298164 and a company limited by guarantee, number 2184005; its Articles of Association constitute the governing documents.

The principal areas of charitable activity are the provision of specialist palliative care services in the heart of Kent area, including the boroughs of Maidstone and Tonbridge and Malling. These services include an inpatient unit, an outpatient centre, support therapies, a Hospice Hub programme, community services, dementia services, counselling, education and training, and spiritual care.

The governing document

The Hospice is a company limited by guarantee and does not have share capital. The constitution of the Hospice is set out in the Articles of Association which were revised and adopted by Special Resolution by Members in November 2020 with the changes ratified by the Charity Commission in May 2021.

The governance structure

During this financial year the Board of Trustees had four main sub committees which met quarterly: Clinical Governance Committee, Finance and Income Generation Committee, Governance, Risk and Remuneration Committee and a Nominations and Trustee Development Committee. Due to the pandemic, much of our business has been conducted by way of video conference, with face-to-face meetings restarting in 2022.

The Board of Trustees is responsible and accountable for the governance of the Hospice; it met six times in the year. The Chief Executive is responsible for the day-to-day management of the Hospice.

Following the resignation of our Chief Executive, Sarah Pugh on 14 May 2021, the Board of Trustees appointed our Finance Director, Rachel Street, as Interim Chief Executive. Following a successful period as Interim Chief Executive, an interview panel formed of Trustees and external parties appointed Rachel Street as permanent Chief Executive effective as of 22nd November 2021.

Charity governance code

The Board has full and careful regard to the Charity Governance Code and uses the code as its principal benchmark. The Board is committed to continuous improvement and development.

Recruitment and appointment of new Trustees

One of the roles of the Governance, Risk and Remuneration Committee is to recruit, induct and train Trustees. This is delegated to the Nominations and Trustee Development Committee which is led by the Deputy Chair of the Board of Trustees. The Board actively promotes diversity and seeks Trustees from a range of backgrounds. Advertisements for new Trustees are published in the local press, on relevant websites, on the Hospice's website, through local networks and in the Hospice newsletter if appropriate. Only Members of the Hospice who are elected by the Board of Trustees can be nominated as Trustees by the Governance, Risk and Remuneration Committee. The Trustees are elected for a term of three years, renewable for a further three years. The Chair is appointed for a five-year term.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Jim Barker-McCardle stepped down as Chair and Trustee in May 2022, following a successful five-year term. The Trustees and Executive Team thanked him for his outstanding leadership and service to the Hospice. The Trustees appointed Ann Millington as the new Chair of Trustees in May 2022, and they look forward to working with her.

On 5 July 2022 our founding Patron, Marianna, Viscountess Monckton of Brenchley, sadly died. Tributes were paid to an inspirational, dedicated, and passionate lady who will be missed enormously by colleagues, volunteers and all who knew her.

Policies and procedures for the induction and training of Trustees

The Hospice UK document entitled 'Induction of New Trustees' as well as the Charity Trustee welcome pack published by the Charity Commission is used as a model for Trustee induction and training. All Trustees receive a thorough induction and seek to ensure through the governance structure that the Board complies with best practice requirements.

Trustee code of conduct

The Board adheres to the Hospice's Code of Conduct for colleagues and volunteers. The Board takes its leadership role in upholding the values of the Hospice very seriously. The Board has adopted the Hospice's culture framework and conducts itself in line with the Hospice's behavioural standards.

The wider network

The Hospice is a member of Hospice UK. The Chair and Chief Executive attend Hospice UK meetings with other Chairs and Chief Executives in the South-East Region and the Chief Executive networks both locally and nationally. The management team has well developed network links with a wide range of external organisations locally and nationally.

Risk management

A risk management framework is agreed annually by the Board. This includes a Risk Register which has been developed to identify risks, mitigations, and contingency actions. This Risk Register is reviewed and updated monthly by the Executive Team. Risks are reviewed quarterly by the relevant Trustee Committee and quarterly by the Board of Trustees. On an annual basis, the Board agrees a risk threshold and prepares a risk appetite statement.

It is recognised that this system can only provide reasonable (not absolute) reassurance that major risks are being adequately managed.

This year, the main potential risks have continued to be influenced by the ongoing impact of the COVID-19 pandemic, including the risks that:

- Financial sustainability is compromised;
- Patient experience diminishes; and
- Strategic goals not achieved

Colleagues and Trustees have worked closely together in the year to mitigate these risks. Financial risks are mitigated by regularly reviewing our financial position through management accounts, cash flow modelling, reforecasting, and setting long term financial plans. Maintaining levels of patient experiences has been challenging during the pandemic, in particular regarding visiting, however usual visiting arrangements are now re-instated and outpatient services have recommenced. Strategic goals are set annually, and progress is monitored at Executive and Board meetings.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

OBJECTIVES AND ACTIVITIES

The Hospice's objects, as set out in the Articles of Association are the relief of the needs of those who are suffering from a chronic or terminal illness, disability, or disease and in particular, but not so as to limit the generality of the foregoing, by:

- a) the provision of an inpatient unit, outpatient centre, community service and bereavement service in the Kent and Medway area for such persons and their relatives and carers;
- b) to conduct, promote or encourage research into the care and treatment of patients with progressive life threatening diseases and to publish the beneficial results of any research undertaken by the Charity;
- c) to promote the principles and practice of palliative care throughout the wider community by assisting in multi professional training and education;
- d) to provide and facilitate the provision of physical, social, and psychological care and spiritual help for patients, relatives or carers under the care of the Charity and for the colleagues and volunteers working with them.

Our vision

Our vision is that everyone living with a terminal illness in our community will achieve the best quality of life. We seek to achieve this by enabling people with a terminal illness in our community to live in comfort, with independence and dignity to the end of their lives, and to support those closest to them.

Our values and culture framework

Our culture, values and behaviours guide our decision making and how we conduct ourselves in our work. They ensure all patients, and their families receive the very best care day in and day out. Our values are Compassion, Integrity, Respect and Teamwork.

The Hospice has a culture framework which celebrates our values and helps colleagues and volunteers put these values into action. The culture framework includes four core behaviours; I care, I own, I learn, and I improve, with associated behavioural standards which run through how we recruit, develop, and retain our team.

Diversity and inclusion

The Hospice is committed to being an equal opportunities employer. This means that decisions concerning all aspects of employment will be based on the needs of the organisation and not any assumptions based on sex, race, age, disability, gender reassignment, sexual orientation, married or civil partnership status, pregnancy or maternity, religion, or belief. All colleagues are required to abide by equality, diversity, and inclusion principles.

Following an external equality, diversity and inclusion audit in August 2020 the Hospice has continued to move forward with the action plan based on the outcomes of this audit, particularly focusing on inclusivity. The Hospice is committed to providing skilled and compassionate care in a supportive environment based on mutual respect and trust, which recognises and values the difference of every individual, be they patient, carer, colleague volunteer or visitor. The Chief Executive is the executive sponsor of this work and is supported by colleagues in the Belonging Working Group.

A member of the Hospice team is appointed as the Hospice's Freedom to Speak up Guardian and they support colleagues to speak up if they feel that they are unable to do so by other routes.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Our strategic priorities

The Charity's five strategic priorities are:

- 1. Local care:** We will establish a model of local Hospice support throughout our communities.
- 2. Flexible, person centred care:** We will develop our services so that they can meet a wide range of patient and family needs.
- 3. Specialist care:** We will provide specialised care to every patient and maintain our reputation as a centre of excellence.
- 4. Skilled, compassionate care:** We will be the organisation of choice for colleagues and volunteers.
- 5. Care for our cause:** We will enable our local community to regard the Hospice as the local cause to support.

Patient services provided

Heart of Kent Hospice is a specialist palliative care and end of life care provider, which offers support to patients with terminal illnesses including those with dementia. It has beds for up to ten inpatients and an outpatient Hospice Hub for all patients and carers to access. The Hospice currently cares for approximately 950 patients and their carers at any one time in the community.

The Hospice has embedded the use of outcome measures throughout all clinical areas using the Outcome Assessment Complexity Collaborative (OACC) national toolkit. This enables the clinical teams to understand better patient and carer needs and measure individual and service outcomes for patients. The tools used as part of the OACC suite enables support and care to be delivered "at the right time, in the right place by the right person."

The Hospice offers a range of services which include:

Inpatient services

The inpatient unit has 10 single ensuite bedrooms and provides 24/7 care for patients, all year. Patients are looked after in the inpatient unit for a variety of reasons including:

- Short term assessment and management of patients with complex and/or unstable needs, be they physical, psychological, social or spiritual
- Rehabilitation and adaptation to changes in function associated with disease progression and/or treatment
- Care in last days of life
- Emergency respite care
- Care after death

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Hospice Community Team

The Hospice Community Team provides high quality, seven day a week specialist palliative care advice for those patients with a progressive life limiting illness who are being cared for at home or in a care home and to offer support to their family, carers, and friends. The team has a skill mix of Nurses, Paramedics and Healthcare Assistants, all who contribute to patients and carers being seen at the right time, in the right place by the right person.

They provide:

- Clinical assessment and ongoing support to maximise symptom control
- Twice weekly drop-in sessions via the Hospice Hub (these were paused during the COVID-19 pandemic)
- Outpatient appointments, home visits, telephone, or video assessments (as appropriate under the COVID-19 pandemic restrictions)
- Advance care planning and support for patients with their preferences and wishes
- Advice and support for external healthcare professionals

Hospice Dementia Team

The Hospice Dementia Team takes referrals for dementia patients early on in their illness to enable advance care planning and offering support and education to patients and carers. The Head of the Dementia Team is supported by an experienced Clinical Nurse Specialist, Staff Nurse, and Healthcare Assistant, and they all support patients and carers in their own homes or in care homes.

They provide:

- A monthly Dementia Café held in Magnolia Place outpatient centre (this moved to a virtual café during the pandemic)
- The Making Memories® programme, which is a weekly, six-week dementia programme for patients and their carers
- A carer support group with social work support providing pre bereavement and post bereavement support for carers
- Formal and informal training for carers and healthcare professionals

The role of the Hospice Community and Dementia Teams are both advisory and educational. The teams do not take over the day-to-day care of the patient but provide specialist palliative care advice and support for patients, carers, and healthcare professionals. They have an in-depth specialist knowledge of the assessment and management of physical, psychological, emotional, social, and spiritual needs to reduce symptoms, suffering and distress, including complex symptom management. The teams are also able to support in analysing complex clinical decisions where medical and personal interests are finely balanced, by applying relevant ethical and legal reasoning alongside clinical assessment. They also provide multidisciplinary specialist advice, support, education, and training to the wider care team who is providing direct core level palliative care to the person.

Family Support Team

The Family Support Team provides counselling, social work for children, young people and families, welfare advice and chaplaincy support, led by our Spiritual Lead with volunteer support, to all patients in the community and within the outpatient centre and inpatient unit. This support is offered pre-bereavement to the patients and/or their carers, at the time of the death and into bereavement.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Working in close liaison with the primary health care team, the Family Support Team provides:

- Pre and post bereavement counselling
- Family and children support
- Welfare support
- Spiritual Care
- Compassionate Neighbours

Towards the end of 2021 the clinical teams reviewed the previous Living Well model of outpatient services and agreed to change the offering to patients and carers to a more flexible and accessible Hospice Hub drop-in model.

The Hospice Hub programme is held in Magnolia Place within the Hospice and is as follows:

- Monday & Thursday: Drop-in sessions with no referral required for patients and carers. This hub model provides a one-stop-shop to access support with symptom and pain control, advance care planning, social support, spiritual, emotional, and welfare support.
- Tuesday: The Dementia team run the Making Memories programme
- Wednesday: Bereavement drop-in group is run, supporting families, and loved one's process grief and bereavement in social setting. Individual bereavement counselling is also available.
- Friday: Twice a month, in partnership with the Motor Neurone Disease Association (MNDA), a drop-in group for patients with Motor Neurone Disease is run.
- Saturday: Once a month a Dementia café is run in the Hospice for people with Dementia and their carers and loved ones to attend.

Working in close liaison with the primary health care team, the Family Support provides:

- Pre and post bereavement counselling
- Family and children support
- Welfare support
- Spiritual Care
- Compassionate Neighbours

Therapies

Occupational therapy and physiotherapy can be offered to Hospice patients on the inpatient unit and through the Hospice Hub as required.

Education and development

The Education Team provide internal and external clinical training including clinical statutory and mandatory training sessions, where the Education Team supports colleagues to achieve the Hospice competencies and clinical competencies as required.

The Education Team also provide training on all aspects of palliative and end of life care including providing multidisciplinary specialist advice, support, education, and training to the nursing homes and other healthcare professionals who are providing direct core level palliative care to the person. They are part of the Kent and Medway Collaborative for training and education and provide KCC funded training for Care Homes.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Heart of Kent Hospice has become a regional provider for Accredited Gold Standards Framework training for care homes and domiciliary care agencies and facilitates the European Certificate in Essential Palliative Care (ECEPC) distance learning course, which is aimed at helping professionals consolidate and develop their palliative care confidence and expertise. The course is also designed to meet the needs of healthcare professionals new to specialist palliative care services who wish to establish a strong foundation of knowledge on which to build specialist knowledge and skills.

The Education Team also support the Head of Inpatient Unit to ensure the standards required to deliver outstanding care on the inpatient unit are met. The Practice Development Nurse works with nurses on their induction, return to practice, student nurses and the inpatient unit team to complete their practical and theoretical competencies.

The Hospice provides further education via ECHO (Extension of Community Healthcare Outcomes) networks, which is a shared learning Zoom platform supported by Hospice UK.

The Hospice COVID-19 Response 2021/22

During 2021/22, the Hospice continued to respond to the COVID-19 pandemic, utilising and adapting the strategies and tools put in place in the prior year, such as daily Executive Team calls, weekly Heads of Department calls and remote working to manage the risks to our patients, their families, colleagues, and volunteers.

During periods of lockdown, patient and carer face to face sessions, Dementia Café and Making Memories@ groups continued to be provided as online sessions and drop-in and outpatient appointments remained closed; only essential home visits were carried out and patients and carers were supported by the clinical teams by telephone and by video link. The inpatient unit continued to admit patients and following individual risk assessments Patient Care Volunteers continued to support the nursing team.

Education and training sessions successfully continued to be delivered as online sessions via video platforms. The education team worked with Kent and Medway Clinical Commissioning Group education platform to produce training for care home providers and visited care homes to provide practical personal protective equipment (PPE) and COVID-19 swab testing training.

The Patient Services Director joined a daily local health economy (LHE) meeting which included all local healthcare providers which took a system wide approach to information sharing and escalation of concerns. To ease the pressure on the acute trust the Hospice liaised with the discharge team and Frailty Matrons to facilitate inpatient admissions for appropriate patients. Into 2022 the LHE meetings continued on a weekly basis.

As Government restrictions were lifted in 2022 the Hospice re-started face-to-face patient carer interactions, home visits, counselling and via the Hospice Hub and IPU visitor restrictions were relaxed. The large majority of Hospice colleagues, both patient facing and non-patient facing took part in the COVID-19 vaccination programme receiving at least three doses of the vaccine. Regular testing via lateral flow tests and PCR tests continued until April 2022 and a twice weekly lateral flow testing regime remains in place.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Quality Assurance

Following a routine inspection by the Care Quality Commission (CQC) in February 2017 the Hospice achieved an overall rating of Outstanding, gaining Outstanding in Caring and Responsive domains and Good in Safe, Effective and Well led. Monthly CQC monitoring started during the pandemic and is continuing as their model of inspection on need and risks identified.

Patient services report quarterly to the Clinical Governance Committee.

Monthly clinical management and medicines management meetings take place covering topics such as safeguarding, audit, complaints, and incidents. An audit and research group meets every eight weeks, to review and monitor the core clinical audits and to ensure the implementation of any actions or learning from audit findings. It also encourages each clinical team to undertake at least two service specific audits per year. Monthly spot checks are carried out across clinical areas to ensure quality and standards are maintained.

Due to the pandemic, the National Institute for Health Research Clinical Research Network (NIHR CRN) paused the site setup of any new or ongoing studies at NHS and social care sites that were not nationally prioritised COVID-19 studies in March 2020. Since the nonurgent public health research studies have gradually resumed their activities, the Hospice has recruited 19 caregivers overall to the two following national Portfolio Studies:

- Measuring Outcomes of People with Dementia and Their Carers
- Qualitative Study of Experiences of Family Carers of People with Cancer Receiving Home Based – Palliative Care

The Hospice has established a development framework to support colleagues' personal career development. Members of the senior nursing teams are supported to undertake Non-Medical Prescribing and Advanced Assessment Skills training. We are also supporting one Healthcare Assistant to complete the Nurse Associate Training, which is a route into becoming a qualified registered nurse.

In the Monckton Education Centre, we deliver the Hospice's external and internal programme of high-quality palliative and end of life care training courses. Bespoke training is carried out in nursing and care homes by the Education Team; this training can be supported by "experience days" on the inpatient unit.

Senior Clinicians attend the Kent and Medway CCG End of Life Group meetings monthly to work in collaboration with other agencies to formulate and implement a Kent and Medway CCG End of Life Strategy.

The Patient Services Director and Head of Hospice Dementia Team attend all relevant sector groups including a Dementia Strategic Implementation Group, a Cancer Improvement Group, and the West Kent Alliance Joint Programme Management Group, plus Frailty and Ageing Well strategy meetings.

The Patient Services Director is co-chair of the Executive Clinical Leads in Hospice and Palliative Care South-East Group and a Specialist Advisor for CQC.

Key Performance Indicators (KPIs)

The Hospice uses several KPIs and dashboards to monitor outputs achieved by activities. The Clinical Dashboard is produced monthly and consists of nine key metrics including, caseload, number of referrals, bed occupancy and IPU flow, and complaints. The Strategic KPIs are produced quarterly and consist of 20 KPIs, linked to each of the five strategic priorities with a baseline target set for each KPI.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Conferences

Due to the COVID-19 pandemic the Hospice has not hosted a conference in 2021/22.

Clinical surveys

A Patient and Carer survey is planned for 2022/23 and Views on Care (a tool in the Outcome Measures kit) is used to measure patient experience.

The Patient and Carer Engagement (PACE) Group continued to meet every eight weeks; the group met virtually throughout the pandemic but is now meeting face to face. They support patient and carer feedback enabling the Hospice to make improvements and respond to comments in a constructive, positive way. New members have been recruited to the group during the last year. The group use the CQC "I" statements to gather feedback and have returned to face-to-face patient sessions. The feedback is reviewed by the Patient Services Director and any actions and learnings are discussed by the Executive team. The feedback provides evidence that patients feel the service they receive is good or very good.

Inpatient Unit

During the year to 31 March 2022 a total number of 3,245 bed days (2021: 3,660) were available. Within the period of the financial year there were 192 inpatient stays (2021: 192), of which 189 (2021: 190) were first admissions and 3 (2021: 2) were repeat admissions. The average length of an inpatient stay was 12 days (2021: 10).

Hospice Community and Dementia Teams

The multiskilled Hospice Community and Dementia Teams have efficiently met the demand of a busy and growing caseload. The average caseload during the year was 916 patients (2021: 859). Despite a small decrease in referrals during the year the actual caseload increased by 7% (2021: 5% increase).

During the year ended 31 March 2022, the total number of patients cared for by the Hospice Community and Dementia Teams was 1640, (2021: 1,545) of which the total referrals for both was 961 (2021: 937). The breakdown of the total number of referrals is 735 (2021: 794) for the Hospice Community Team and 226 (2021: 143) for the Hospice Dementia Team.

Our Hospice Community Team conducted 1,310 (2021: 1,001) home visits, telephone and video assessments and made a total of 20,935 (2021: 21,413) telephone calls. Our Hospice Dementia Team conducted 272 home visits, telephone, and video assessments (2021: 525) and made a total of 3,863 telephone calls (2021: 4,294).

During the year 621 patients died (2021: 810).

Family Support Team

The number of bereavement counselling referrals was 272 (2021: 230) and welfare referrals were 169 (2021: 151).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Information Technology

The Head of Information and Quality Assurance is responsible for the management of the range of Hospice databases and works closely with Heads of Departments and the Hospice's IT provider to facilitate best use and safe storage of available data.

This year we once again successfully met the Data Security and Protection toolkit requirements and the annual assessment we submitted was approved. This enables us to use NHS Connecting for Health systems and services such as N3. This will enable the medical and clinical teams at the Hospice to share and access relevant patient information in a secure manner and improve the overall coordination of care.

Clinical colleagues are using iPOS (Integrated Palliative Care Outcome Scale) to measure patient outcomes which will enable the Hospice to report into Public Health England's new Palliative Care Information Framework. Outcome measures are now being used to triage patients according to their needs.

We report internally on key performance indicators monthly and share information with Kent and Medway CCG as required for the grant in aid agreement. We also submit data to Hospice UK to enable us to benchmark drug incidents, and slips, trips and falls against local and national data.

We have started on our journey of digital transformation, embracing new technologies in our everyday working and in response to COVID-19, enabling colleagues to work remotely, productively and effectively. In January 2022, electronic prescribing was implemented on our in-patient unit, improving efficiency and reducing the risk of medication errors. We constantly review our IT roadmap to continually improve and modernise our ways of working.

Income Generation

Heart of Kent Hospice is registered with the Fundraising Regulator and is an organisational member of the Chartered Institute of Fundraising. Our lottery is registered with The Gambling Commission. Our supporter promise is published on our website and outlines our commitment to our supporters. Each year members of the fundraising and finance team attend regulation and compliance training. This training includes guidance on how to identify and support vulnerable people.

All colleagues are held accountable to our supporter promise and organisational behaviour framework.

The Hospice is registered with the Fundraising Preference Service and received no requests in the year ended 31 March 2022.

In adherence with the Fundraising Regulator's best practice (the code of Fundraising Practice), and General Data Protection Regulations (GDPR), our fundraising communications schedule is overseen by the Director of Income Generation and the Data Protection Officer (DPO).

Other regulatory bodies that the Hospice adheres to are the Committee of Advertising Practice (CAP), which governs non broadcast advertisements, sales promotions and direct marketing communications and the Privacy and Electronic Communications Regulations (PECR), which is law in the UK and has rules on marketing calls, emails, texts and faxes, the use of cookies, keeping communication services secure and customer privacy.

Income is generated through a rolling programme of fundraising activity, lottery and our network of retail shops. The budget set for 2021/22 was prudent, given the uncertainty surrounding the public's ability and appetite to participate again in fundraising activities with continued concerns around COVID-19 infection rates and restrictions. Particular caution was applied to mass participation events and corporate fundraising.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

We are grateful to the Colyer Fergusson Charitable Trust whose grant of £500,000 has been used to support the Hospice recovery from the impacts of the pandemic on fundraising activities during the financial year to 31 March 2022.

Overall, fundraising exceeded our target during 2021/22 due to the generosity of individuals who made donations in memory of their loved ones and an effort to encourage eligible donors to gift-aid their donations. As anticipated, events and corporate fundraising were most volatile throughout the year as COVID-19 restrictions and working from home within companies impacted on our original plans.

The highlight of our year however was the successful delivery of Elmer's Big Heart of Kent Parade, a nine-week public art installation based on the children's character, Elmer the Elephant. Having postponed the trail from 2020 due to COVID-19, we were thrilled to provide this outdoor activity which was enjoyed by the public during the summer months, raising awareness of the Hospice, and generating funds through sponsorship, fundraising and an auction of all the sculptures. The trail was generously supported by local companies, both financially, and in-kind, including the use of two retail units which sold trail related merchandise. The Hospice received a grant of £4,000 from the Kent County Council Reconnect: Kent Children and Young People Programme to provide free tickets to Elmer's Big Heart of Kent Parade Farewell Weekend on the 3rd to 5th September 2021.

Our retail shops traded throughout the year in line with COVID-19 restrictions and exceeded target overall due to underspend against the expenditure budget. Following the success of Elmer's Big Heart of Kent Parade in the Town Centre we were able to secure a new retail unit in The Mall Shopping Centre, replacing our previous unit on King Street.

In line with a re-forecasted budget, taking into consideration the impact of COVID-19 pandemic, participation in our weekly lottery continued to fall during 2021/22 as we were unable to resume canvassing activity to boost player numbers.

The Finance and Income Generation Committee meets quarterly to oversee income generation activity and monitor progress.

Expenditure on raising funds (not including other trading expenses – note 9) increased by 25% in the year ended 31 March 2022 compared to the prior year.

Fundraising Regulation and Compliance

Heart of Kent Hospice complies with sector best practice. It is a member of the Fundraising Regulator and Chartered Institute of Fundraising and registered with the Fundraising Preference Service.

During 2021/22 all fundraising was conducted by the Hospice's team of employed fundraisers. No complaints were received with regards to fundraising throughout the course of the year and no professional fundraisers were contracted.

Three commercial partnership agreements were in place during 2021/22 relating to the proceeds of a book cowritten by the Hospice's Lead Palliative Care Consultant, and two partnerships with organisations supporting Elmer's Big Heart of Kent Parade.

No third party lottery canvassing took place in 2021/22.

The Hospice monitors and manages its fundraising regulation and compliance through a combination of training programmes, internal processes, internal audits and quarterly management reporting. This takes into consideration the collection and use of personal data, frequency of contact, how to identify and support vulnerable people and compliance and regulatory requirements.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

FINANCIAL REVIEW

As reported in the Consolidated Statement of Financial Activities for the year, the Hospice's results for the year ended 31 March 2022 show a surplus of £933k, which compared to a surplus of £1,021k for the previous year. Total income for the year was £6.4m, compared to £6.0m in 2020/21. Given the continuing disruptions caused by the pandemic during the year, these exceptional figures are predominantly explained by the one off COVID-19 capacity grant, and the success of Elmer's Big Heart of Kent Parade contributing net income in year of £159k.

NHS England awarded COVID-19 capacity grant funding of £677k via Hospice UK in the year, to help support the Hospice in providing patient care to support the NHS COVID-19 response.

The budget for 2021/22 was set at a deficit of £324k, supported by the significant grant from the Colyer Fergusson Charitable Trust, but before the reinstatement of the COVID-19 capacity funding became known. This funding, along with a positive year for legacies and gifts in will has meant that the 2021/22 financial results generated have resulted in general reserves being higher than expected. A deficit budget of £840k for 2022/23 has been set and the challenge facing the Hospice in the short term is how in an increasingly challenging economy, it can both protect services, manage the increasing demands of our community and return to an operationally balanced financial position.

The resources expended in delivering our charitable activities and services (note 10) increased marginally, reflecting the investments made in service development and the increase in the number of patients and families we are reaching.

Of the funds raised, £2.0m (a 30% increase on 2021: £1.5m) was utilised in generating the funds themselves, the majority of which relates to the operating costs of the two trading subsidiaries and the costs associated with Elmer's big Heart of Kent Parade as the Trading subsidiary donated the sculptures to the Hospice for auction.

The grant received from Kent and Medway Clinical Commissioning Group under a service level agreement of £964k (2021: £964k), amounted to approximately 17% of total expenditure (2021:19%), which means that the Hospice must obtain at least 83% of its funding from other sources.

An analysis of the income for the year is shown in note 4 of the accounts.

RESERVES POLICY

The Trustees have reviewed the reserves policy and they continue to require the Hospice to hold free reserves to ensure both the financial security and the operational flexibility of the Hospice. The target for the reserves (as measured by the unrestricted general fund, including undesignated fixed assets offset by long term creditors was last reviewed in 2021 and was set to a target of between £1.8m (minimum) to £2.5m (maximum) based on estimated costs of closure for the Hospice and its trading subsidiaries. On 31 March 2022, the Charity's free reserves amount to £3.6m (2020/21 £2.9m). The total consolidated funds on 31 March 2022 were £6.4m (2020/21 £5.4m) and consolidated restricted funds on 31 March 2022 were £0.1m (2020/21 £0.2m).

The last two financial years have produced exceptional results for the Hospice with additional one-off funding materially bolstering the reserves position. The budgeted loss for 2022/23 of £840k would result in general reserves of £2.75m as of 31 March 2023, which is marginally above the upper target limit. However, given the experience and unpredictability of the last two financial years coupled with rising inflation and increasing cost pressures the Trustees will continue to monitor the appropriateness of the reserves policy.

GOING CONCERN

Accounting standards require the Trustees to consider the appropriateness of the going concern basis when preparing the financial statements. The Trustees confirm that they consider that the going concern basis remains appropriate.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees regard the going concern basis as remaining viable as the Charity has adequate resources to continue in operational existence for the foreseeable future on the basis that there are adequate cash reserves within the Charity.

Investment Policy and Returns

The Trustees are permitted by the Charity's Memorandum and Articles of Association to invest the monies of the Trust not immediately required for its own purpose in such investments, securities or property as may be thought fit.

Investment income in the year ended 31 March 2022 was £8,586 (2021: £607).

The Executive regularly monitors the cashflow requirements of the charity and reports to Trustees, striving to secure competitive interest rates where applicable by considering the most appropriate vehicles for investing the funds, taking account of interest rates, credit and interest rate risks and terms to maturity.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit. The charitable purpose of Heart of Kent Hospice is stated in its 'Objectives and Activities' and the Trustees ensure that this purpose is carried out for the public benefit by working to these objectives.

Special acknowledgement to colleagues, volunteers, and advisors

The Board of Trustees wishes to record its appreciation of the Hospice's highly committed colleagues and volunteers who generously and unstintingly give their time, skills, and expertise. The unprecedented pace at which everyone has adapted in response to COVID-19 is acknowledged. The continued commitment to make a difference in such challenging times is inspiring. We are delighted that the majority of our volunteers have returned to providing their support in person in 2022.

The Hospice is fortunate to have in the region of 600 volunteers who make a contribution to the Hospice which is worth over £1m in time. The Hospice could not survive in its present form without the support of its generous volunteers who offer their contributions in all aspects of Hospice activity; this includes clinical, administrative and income generation roles.

The Board is grateful for the valuable help and assistance received from its professional advisers.

REMUNERATION POLICY

The remuneration of key management colleagues is reviewed by a subcommittee of the Hospice's Board of Trustees to ensure it is competitive with the charity sector, proportionate to the complexity of each role and in line with our charitable objectives and values. A review is conducted at least every three years of pay, terms and conditions of all colleagues to ensure they are fair and competitive.

Future Plans

The Hospice has a three-year Strategic Plan in place which covers the years 2021/22 to 2023/24. The five strategic priorities are listed above under the heading: Our strategic priorities, and the full plan can be found on our website (www.hokh.org).

THE HEART OF KENT HOSPICE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Trustees' responsibilities statement

The Trustees (who are also directors of The Heart of Kent Hospice for purposes of company law) are responsible for preparing the Trustees' 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 charitable company and the group and of the income resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

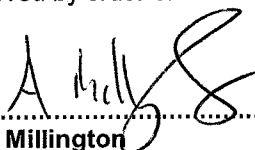
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial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

Disclosure of information to auditor

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

- as far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that 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 group's auditor is aware of that information.

Approved by order of the members of the board of Trustees and signed on their behalf by:


.....
Ms A Millington
Chair

Date: 22 September 2022

THE HEART OF KENT HOSPICE
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HEART OF KENT HOSPICE

Opinion

We have audited the financial statements of The Heart of Kent Hospice (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2022 and of the Group's 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

THE HEART OF KENT HOSPICE
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HEART OF KENT HOSPICE
(CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 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.

Opinion 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' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, 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.

THE HEART OF KENT HOSPICE
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HEART OF KENT HOSPICE
(CONTINUED)

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Enquiry of management, those charged with governance around actual and potential litigation and claims;

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

THE HEART OF KENT HOSPICE
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HEART OF KENT HOSPICE
(CONTINUED)



Duncan Cochrane-Dyet BSc BFP FCA (Senior statutory auditor)
for and on behalf of
MHA MacIntyre Hudson
Statutory Auditors
Maidstone

Date: 29 September 2022

THE HEART OF KENT HOSPICE
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	4	2,999,982	824,731	3,824,713	4,581,734
Charitable activities	5	671,551	7,550	679,101	280,521
Other trading activities	6	1,910,242	-	1,910,242	886,747
Investments	7	889	-	889	607
Other income	8	6,687	-	6,687	233,575
Total income		5,589,351	832,281	6,421,632	5,983,184
Expenditure on:					
Raising funds	9	1,878,030	-	1,878,030	1,498,946
Charitable activities	10	2,625,876	989,354	3,615,230	3,465,575
Total expenditure		4,503,906	989,354	5,493,260	4,964,521
Net income/(expenditure) before net gains on investments		1,085,445	(157,073)	928,372	1,018,663
Net gains on investments		7,697	-	7,697	-
Net income/(expenditure) before taxation		1,093,142	(157,073)	936,069	1,018,663
Taxation		(3,018)	-	(3,018)	2,385
Net income/(expenditure) after taxation		1,090,124	(157,073)	933,051	1,021,048
Transfers between funds	22	30,850	(30,850)	-	-
Net movement in funds		1,120,974	(187,923)	933,051	1,021,048
Reconciliation of funds:					
Total funds brought forward		5,207,292	239,514	5,446,806	4,425,758
Net movement in funds		1,120,974	(187,923)	933,051	1,021,048
Total funds carried forward		6,328,266	51,591	6,379,857	5,446,806

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

The notes on pages 25 to 54 form part of these financial statements.

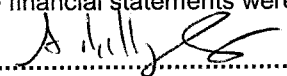
THE HEART OF KENT HOSPICE
(A company limited by guarantee)
REGISTERED NUMBER: 2184005

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	15	2,745,685	2,810,282
		<u>2,745,685</u>	<u>2,810,282</u>
Current assets			
Stocks	17	11,734	116,040
Debtors	18	844,633	655,485
Investments	19	307,697	-
Cash at bank and in hand		3,160,435	2,851,258
		<u>4,324,499</u>	<u>3,622,783</u>
Creditors: amounts falling due within one year	20	(686,140)	(985,090)
		<u>3,638,359</u>	<u>2,637,693</u>
Net current assets		<u>3,638,359</u>	<u>2,637,693</u>
Total assets less current liabilities		<u>6,384,044</u>	<u>5,447,975</u>
Provisions for liabilities		(4,187)	(1,169)
Total net assets		<u>6,379,857</u>	<u>5,446,806</u>
Charity funds			
Restricted funds	22	51,591	239,514
Unrestricted funds	22	6,328,266	5,207,292
Total funds		<u>6,379,857</u>	<u>5,446,806</u>

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:


.....
Ms A Millington
Chair

Date: 22 September 2022

The notes on pages 25 to 54 form part of these financial statements.

THE HEART OF KENT HOSPICE
(A company limited by guarantee)
REGISTERED NUMBER: 2184005

COMPANY BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	15	2,708,487	2,779,664
Investments	16	3	3
		<u>2,708,490</u>	<u>2,779,667</u>
Current assets			
Debtors	18	1,448,088	820,351
Investments	19	307,697	-
Cash at bank and in hand		2,190,941	2,397,141
		<u>3,946,726</u>	<u>3,217,492</u>
Creditors: amounts falling due within one year	20	(530,685)	(791,928)
Net current assets		<u>3,416,041</u>	<u>2,425,564</u>
Total assets less current liabilities		<u>6,124,531</u>	<u>5,205,231</u>
Total net assets		<u>6,124,531</u>	<u>5,205,231</u>
Charity funds			
Restricted funds	22	51,591	239,514
Unrestricted funds	22	6,072,940	4,965,717
Total funds		<u>6,124,531</u>	<u>5,205,231</u>

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:



Ms A Millington

Date: 22 September 2022

The notes on pages 25 to 54 form part of these financial statements.

THE HEART OF KENT HOSPICE
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	£	£
Cash flows from operating activities		
Net cash used in operating activities	688,198	1,717,041
	<hr/>	<hr/>
Cash flows from investing activities		
Purchase of tangible fixed assets	(79,018)	(40,769)
Purchase of investments	(300,000)	-
Interest received	889	607
	<hr/>	<hr/>
Net cash used in investing activities	(378,129)	(40,162)
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	310,069	1,676,879
Cash and cash equivalents at the beginning of the year	2,844,338	1,167,459
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	3,154,407	2,844,338
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 25 to 54 form part of these financial statements

THE HEART OF KENT HOSPICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. General information

The Heart of Kent Hospice is a charitable company limited by guarantee and is registered with the Charity Commission (Charity Registered Number: 298164) and the Registrar of Companies (Company Registered Number: 02184005) in England and Wales.

The address of the registered office is given in the Charity information page of these financial statements. The nature of the Charity's operations and the principal activities are that of a Hospice and associated activities.

The Members of the Company are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per Member of the Charity.

The financial statements are presented in sterling which is the functional currency of the Charity and rounded to the nearest £1.

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.

The Heart of Kent Hospice meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Company and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

The Company's net movement in funds for the year was £919,300 (2021: £1,025,710).

2.2 Going concern

The Trustees have assessed that there are no significant doubts in the company's ability to continue as a going concern. As a result, the financial statements have been prepared on a going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

No amounts are included in the financial statements for services donated by volunteers, or the free use of facilities where the value of the gift cannot be measured reliably.

2.4 Expenditure

All resources expended are accounted for on an accruals basis.

Charitable activities include the costs of services and support costs.

Costs of Generating Funds include fundraising, publicity costs and non-charitable trading activities together with their related support costs.

Support costs are allocated across non-charitable and charitable activities on a pro-rata basis guided by the value of attributable costs, being a measurement considered representative of the specific input into each activity.

The irrecoverable element of VAT is included with the item of expenses to which it relates.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objectives of the company.

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

THE HEART OF KENT HOSPICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Consolidated statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Consolidated statement of financial activities as the related expenditure is 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 institution with whom the funds are deposited.

2.7 Taxation

The Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Land and buildings	-	2%	on buildings, land not depreciated
Hospice building	-	2%	
Motor vehicles	-	25%	
Fixtures and fittings	-	20% - 30%	
Computer equipment	-	33%	

2.9 Investments

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

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

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.

2.13 Liabilities and provisions

Liabilities and provisions 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 Company 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 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable surpluses from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

2.15 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.16 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight line basis over the lease term.

THE HEART OF KENT HOSPICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.17 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

The Group also contributes to the National Health Service Scheme for some of its employees. However, the scheme is a multi employer defined benefit scheme and the Group is therefore unable to identify its share of the underlying assets and liabilities.

2.18 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

Estimates and judgments 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.

Critical accounting estimates and assumptions:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

3. Critical accounting estimates and areas of judgment

Estimates and judgments 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.

Critical accounting estimates and assumptions:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Tangible fixed assets: the directors annually assess both the residual value of these assets and the expected useful life of such assets. Details on the expected useful lives of assets are reflected in the depreciation accounting policy in note 2.8.

THE HEART OF KENT HOSPICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

4. Income from donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Donations	1,218,459	17,100	1,235,559
Legacies	696,687	-	696,687
Grants	981,079	36,375	1,017,454
COVID-19 funding	1,609	676,825	678,434
Trusts	102,148	94,431	196,579
	<u>2,999,982</u>	<u>824,731</u>	<u>3,824,713</u>

The restricted funds for COVID-19 income amounts to £678,434 which is made up of £676,825 funded from Hospice UK and £1,609 relating to furlough income.

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Donations	1,273,759	11,000	1,284,759
Legacies	655,264	-	655,264
Grants	977,770	8,700	986,470
COVID-19 funding	324,862	1,059,241	1,384,103
Trusts	71,017	200,121	271,138
	<u>3,302,672</u>	<u>1,279,062</u>	<u>4,581,734</u>

5. Income from charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Income from charitable activities	671,551	7,550	679,101
	<u>671,551</u>	<u>7,550</u>	<u>679,101</u>

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5. Income from charitable activities (continued)

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Income from charitable activities	280,521	280,521

6. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Hospice fundraising income - events	47,869	47,869	35,833

In 2021, all of the income from fundraising activities was attributable to unrestricted funds.

Income from non charitable trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Lottery income	341,784	341,784	337,179
Trading shops and ebay	1,520,589	1,520,589	513,735
	<u>1,862,373</u>	<u>1,862,373</u>	<u>850,914</u>

In 2021, all of the income from non charitable trading activities was attributable to unrestricted funds.

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7. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Interest receivable	889	889	607
	<u>889</u>	<u>889</u>	<u>607</u>

In 2021, all of the income from investment activities was attributable to unrestricted funds.

8. Other incoming resources

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Insurance claims receivable	5,258	5,258	233,575
Gas reclaim	1,429	1,429	-
	<u>6,687</u>	<u>6,687</u>	<u>233,575</u>

In 2021, all other incoming resources were attributable to unrestricted funds.

9. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Events and other fundraising costs	71,847	71,847	57,373
Allocated centrally incurred support costs	81,554	81,554	40,598
Wages and salaries	328,474	328,474	279,728
Social security	31,407	31,407	28,585
Pension contributions	10,413	10,413	9,851
Depreciation	16,444	16,444	14,512
	<u>540,139</u>	<u>540,139</u>	<u>430,647</u>

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9. Expenditure on raising funds (continued)

Other trading expenses

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Lottery expenditure	136,839	136,839	125,129
Trading shops and ebay expenditure	687,487	687,487	471,188
Staff costs	496,453	496,453	452,734
Depreciation	17,112	17,112	19,248
	<u>1,337,891</u>	<u>1,337,891</u>	<u>1,068,299</u>

In 2021, all expenditure on raising funds were attributable to unrestricted funds.

10. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Inpatient services	1,851,559	937,395	2,788,954
Family Support services	181,596	8,371	189,967
Community services	504,521	43,588	548,109
Education department	88,200	-	88,200
	<u>2,625,876</u>	<u>989,354</u>	<u>3,615,230</u>

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10. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total 2021 £</i>
Inpatient services	1,680,155	993,747	2,673,902
Family Support services	183,518	-	183,518
Community services	341,232	183,724	524,956
Education department	83,199	-	83,199
	<u>2,288,104</u>	<u>1,177,471</u>	<u>3,465,575</u>

Summary by expenditure type

	Staff costs 2022 £	Depreciation 2022 £	Other costs 2022 £	Total 2022 £
Inpatient services	2,126,540	84,905	577,509	2,788,954
Family Support services	159,814	5,783	24,370	189,967
Community services	467,097	16,686	64,326	548,109
Education department	76,359	2,685	9,156	88,200
	<u>2,829,810</u>	<u>110,059</u>	<u>675,361</u>	<u>3,615,230</u>

	<i>Staff costs 2021 £</i>	<i>Depreciation 2021 £</i>	<i>Other costs 2021 £</i>	<i>Total 2021 £</i>
Inpatient services	2,063,371	85,919	524,612	2,673,902
Family Support services	155,819	6,185	21,514	183,518
Community services	424,439	21,893	78,624	524,956
Education department	72,441	2,804	7,954	83,199
	<u>2,716,070</u>	<u>116,801</u>	<u>632,704</u>	<u>3,465,575</u>

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11. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Inpatient services	2,282,938	506,016	2,788,954
Family Support services	155,500	34,467	189,967
Community services	448,664	99,445	548,109
Education department	72,196	16,004	88,200
	<u>2,959,298</u>	<u>655,932</u>	<u>3,615,230</u>

	<i>Activities undertaken directly 2021 £</i>	<i>Support costs 2021 £</i>	<i>Total funds 2021 £</i>
Inpatient services	2,195,762	478,140	2,673,902
Family Support services	149,096	34,422	183,518
Community services	403,115	121,841	524,956
Education department	67,594	15,605	83,199
	<u>2,815,567</u>	<u>650,008</u>	<u>3,465,575</u>

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11. Analysis of expenditure by activities (continued)

Analysis of support costs

	Inpatient services 2022 £	Family Support services 2022 £	Community services 2022 £	Education department 2022 £	Total funds 2022 £
Staff costs	154,628	10,532	30,388	4,889	200,437
Depreciation	84,905	5,783	16,686	2,685	110,059
Professional fees	15,906	1,083	3,126	503	20,618
Audit and accountancy fees	6,269	427	1,232	198	8,126
IT Support	100,679	6,858	19,786	3,184	130,507
Premises costs	72,053	4,908	14,160	2,278	93,399
Other support costs	28,315	1,929	5,565	898	36,707
Repairs and maintenance	43,261	2,947	8,502	1,369	56,079
	506,016	34,467	99,445	16,004	655,932

	<i>Inpatient services 2021 £</i>	<i>Family Support services 2021 £</i>	<i>Community services 2021 £</i>	<i>Education department 2021 £</i>	<i>Total funds 2021 £</i>
Staff costs	151,915	10,936	38,711	4,958	206,520
Depreciation	85,919	6,185	21,893	2,804	116,801
Professional fees	2,593	187	661	85	3,526
Audit and accountancy fees	4,832	348	1,231	158	6,569
IT Support	94,130	6,776	23,987	3,072	127,965
Premises costs	56,328	4,055	14,355	1,839	76,577
Other support costs	34,004	2,449	8,665	1,109	46,227
Repairs and maintenance	48,419	3,486	12,338	1,580	65,823
	478,140	34,422	121,841	15,605	650,008

Included within support costs are governance costs totalling £19,441 (2021 - £23,172).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

12. Auditors' remuneration

	2022	2021
	£	£
Fees payable to the Company's auditor for the audit of the Company's annual accounts	7,598	6,875
Fees payable to the Company's auditor in respect of:		
The audit of the Heart of Kent Hospice Promotions Limited annual accounts	1,795	1,444
The audit of the Heart of Kent Hospice Trading Limited annual accounts	2,856	3,282
All taxation advisory services not included above	1,445	1,594
All other non-audit services	2,577	2,307

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

13. Staff costs

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Wages and salaries	3,225,002	3,019,886	2,776,745	2,609,722
Social security costs	280,124	288,428	250,845	262,955
Contribution to defined contribution pension schemes	191,431	178,654	172,514	161,557
	<u>3,696,557</u>	<u>3,486,968</u>	<u>3,200,104</u>	<u>3,034,234</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

13. Staff costs (continued)

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

	Group 2022 No.	<i>Group 2021 No.</i>
Fundraising	11	11
Inpatient services	41	39
Community services	14	13
Education department	2	2
Management (including clinical manager and facilities team)	22	20
Family support services	7	8
Finance	5	5
Catering	7	7
Trading companies	26	25
Dementia	4	3
	<hr/> 139 <hr/>	<hr/> <i>133</i> <hr/>

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

	Group 2022 No.	<i>Group 2021 No.</i>
In the band £60,001 - £70,000	-	2
In the band £70,001 - £80,000	4	1
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-
In the band £100,001 - £110,000	-	1

Pension contributions paid in respect of higher paid staff total £15,011 (2021 – £14,689).

During the year, 16 (2021 – 17) employees were accruing pensions under the defined contribution pension scheme, 73 (2021 – 71) under the NEST scheme and 26 (2021 – 22) employees were accruing pensions under a defined benefit pension scheme. 1 under clerical medical scheme (2021– 1).

The total wages and salaries including national insurance paid to key management personnel during the year amounted to £410,446 (2021 – £411,430).

14. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

14. Trustees' remuneration and expenses (continued)

During the year ended 31 March 2022, expenses totalling £135 were reimbursed or paid directly to 2 Trustees (2021 - £NIL). These expenses are in relation to the Association of Chairs Membership and membership of the Honorary Treasurers Forum. £400 was paid directly for Reach Volunteering, a registration fee for Hospice Trustees.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

15. Tangible fixed assets

Group

	Hospice Building £	Freehold Property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation						
At 1 April 2021	3,821,525	532,469	69,874	1,442,458	15,120	5,881,446
Additions	-	-	-	75,888	3,130	79,018
Disposals	-	-	-	(790,742)	-	(790,742)
At 31 March 2022	<u>3,821,525</u>	<u>532,469</u>	<u>69,874</u>	<u>727,604</u>	<u>18,250</u>	<u>5,169,722</u>
Depreciation						
At 1 April 2021	1,596,217	53,247	54,954	1,354,214	12,532	3,071,164
Charge for the year	73,904	10,649	9,663	46,745	2,654	143,615
On disposals	-	-	-	(790,742)	-	(790,742)
At 31 March 2022	<u>1,670,121</u>	<u>63,896</u>	<u>64,617</u>	<u>610,217</u>	<u>15,186</u>	<u>2,424,037</u>
Net book value						
At 31 March 2022	<u>2,151,404</u>	<u>468,573</u>	<u>5,257</u>	<u>117,387</u>	<u>3,064</u>	<u>2,745,685</u>
At 31 March 2021	<u>2,225,308</u>	<u>479,222</u>	<u>14,920</u>	<u>88,244</u>	<u>2,588</u>	<u>2,810,282</u>

Within the above assets are £37,198 (2021: £30,618) of fixtures, fittings and equipment and motor vehicles which are held for fundraising in the trading subsidiary as opposed to direct charitable activities.

The value included in freehold property for land that is not depreciated is £226,300 (2021: £226,300).

Barclays Bank plc have a charge over the property known as Old Transport Building Royal British Legion, Aylesford, Kent ME20 7NL.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

15. Tangible fixed assets (continued)

Company

	Hospice Building £	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 April 2021	3,821,525	532,469	9,500	1,059,076	5,422,570
Additions	-	-	-	55,327	55,327
Disposals	-	-	-	(674,583)	(674,583)
At 31 March 2022	<u>3,821,525</u>	<u>532,469</u>	<u>9,500</u>	<u>439,820</u>	<u>4,803,314</u>
Depreciation					
At 1 April 2021	1,596,217	53,247	4,750	988,692	2,642,906
Charge for the year	73,904	10,649	2,375	39,576	126,504
On disposals	-	-	-	(674,583)	(674,583)
At 31 March 2022	<u>1,670,121</u>	<u>63,896</u>	<u>7,125</u>	<u>353,685</u>	<u>2,094,827</u>
Net book value					
At 31 March 2022	<u>2,151,404</u>	<u>468,573</u>	<u>2,375</u>	<u>86,135</u>	<u>2,708,487</u>
At 31 March 2021	<u>2,225,308</u>	<u>479,222</u>	<u>4,750</u>	<u>70,384</u>	<u>2,779,664</u>

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NOTES TO THE FINANCIAL STATEMENTS
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16. Fixed asset investments

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2021	3
At 31 March 2022	<u>3</u>
Net book value	
At 31 March 2022	3
At 31 March 2021	<u>3</u>

17. Stocks

	Group 2022 £	Group 2021 £
Finished goods and goods for resale	<u>11,734</u>	<u>116,040</u>

18. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Due within one year				
Trade debtors	61,739	80,328	59,517	62,424
Amounts owed by group undertakings	-	-	670,214	238,768
Other debtors	25,636	18,973	21,199	15,733
Prepayments and accrued income	757,258	556,184	697,158	503,426
	<u>844,633</u>	<u>655,485</u>	<u>1,448,088</u>	<u>820,351</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Current asset investments

	Group 2022	<i>Group</i> 2021	Company 2022	<i>Company</i> 2021
	£	£	£	£
Listed investments	307,697	-	307,697	-
	<u>307,697</u>	<u>-</u>	<u>307,697</u>	<u>-</u>

20. Creditors: Amounts falling due within one year

	Group 2022	<i>Group</i> 2021	Company 2022	<i>Company</i> 2021
	£	£	£	£
Bank overdrafts	6,028	6,920	-	-
Trade creditors	155,362	156,575	95,514	107,154
Amounts owed to group undertakings	-	-	19,736	-
Other creditors	70,080	79,610	69,581	79,244
Accruals and deferred income	454,670	741,985	345,854	605,530
	<u>686,140</u>	<u>985,090</u>	<u>530,685</u>	<u>791,928</u>

Deferred income at the year end totalled £160,228 (2021 - £504,055). £160,228 was deferred in the current year and £505,055 was released. Deferred income relates to funding for future periods and lottery subscriptions paid in advance.

21. Deferred taxation

Group and Company

	2022	2021
	£	£
At the beginning of the year	1,169	3,554
Charge/(Credit) for the year	3,018	(2,385)
	<u>4,187</u>	<u>1,169</u>

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21. Deferred taxation (continued)

The deferred tax liability is made up as follows:

	Group 2022 £	<i>Group 2021 £</i>
Accelerated capital allowances	4,187	<i>1,169</i>
	<u>(4,187)</u>	<i><u>(1,169)</u></i>

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**NOTES TO THE FINANCIAL STATEMENTS
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22. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Tax £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Unrestricted funds							
Designated funds							
Fixed asset fund	2,295,692	-	-	-	410,417	-	2,706,109
General funds							
General fund	2,670,025	3,721,606	(3,166,015)	-	133,518	7,697	3,366,831
Trading subsidiary fund	241,575	1,867,745	(1,337,891)	(3,018)	(513,085)	-	255,326
	<u>2,911,600</u>	<u>5,589,351</u>	<u>(4,503,906)</u>	<u>(3,018)</u>	<u>(379,567)</u>	<u>7,697</u>	<u>3,622,157</u>
Total Unrestricted funds	<u>5,207,292</u>	<u>5,589,351</u>	<u>(4,503,906)</u>	<u>(3,018)</u>	<u>30,850</u>	<u>7,697</u>	<u>6,328,266</u>
Restricted funds							
Restricted Funds - all funds	239,514	832,281	(989,354)	-	(30,850)	-	51,591
Total of funds	<u>5,446,806</u>	<u>6,421,632</u>	<u>(5,493,260)</u>	<u>(3,018)</u>	<u>-</u>	<u>7,697</u>	<u>6,379,857</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

22. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2020</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Tax</i> £	<i>Transfers in/out</i> £	<i>Balance at 31 March 2021</i> £
Unrestricted funds						
Designated funds						
Fixed asset fund	2,376,915	-	-	-	(81,223)	2,295,692
General funds						
General fund	1,636,433	3,305,128	(2,685,751)	-	414,215	2,670,025
Trading subsidiary fund	246,237	1,398,994	(1,101,299)	2,385	(304,742)	241,575
	<u>1,882,670</u>	<u>4,704,122</u>	<u>(3,787,050)</u>	<u>2,385</u>	<u>109,473</u>	<u>2,911,600</u>
Total Unrestricted funds	<u>4,259,585</u>	<u>4,704,122</u>	<u>(3,787,050)</u>	<u>2,385</u>	<u>28,250</u>	<u>5,207,292</u>
Restricted funds						
Restricted Funds - all funds	166,173	1,279,062	(1,177,471)	-	(28,250)	239,514
Total of funds	<u><u>4,425,758</u></u>	<u><u>5,983,184</u></u>	<u><u>(4,964,521)</u></u>	<u><u>2,385</u></u>	<u><u>-</u></u>	<u><u>5,446,806</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

22. Statement of funds (continued)

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 which were acquired with restricted funds. The transfers between the unrestricted general fund, restricted fund and the fixed asset fund represents the net movement in the net book value of fixed assets in the year.

Restricted funds - These represent donations, legacies and trusts received for specific projects and causes.

Transfers in the year are in respect of depreciation and expenditure on age well funding. The Mockton Training and Education Centre has been transferred to designated funds in the year because the Training and Education, Dementia and Care Home teams now utilise this space on a permanent basis and cannot therefore be classified as a free fund.

23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	2,745,685	-	2,745,685
Current assets	4,272,908	51,591	4,324,499
Creditors due within one year	(686,140)	-	(686,140)
Provisions for liabilities and charges	(4,187)	-	(4,187)
Total	6,328,266	51,591	6,379,857

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	2,810,282	-	2,810,282
Current assets	3,383,269	239,514	3,622,783
Creditors due within one year	(985,090)	-	(985,090)
Provisions for liabilities and charges	(1,169)	-	(1,169)
Total	5,207,292	239,514	5,446,806

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

	Group 2022 £	<i>Group 2021 £</i>
Net income for the year (as per Statement of Financial Activities)	933,051	<i>1,021,048</i>
Adjustments for:		
Depreciation charges	143,615	<i>150,560</i>
Gains/(losses) on investments	(7,697)	<i>-</i>
(Increase)/decrease in stocks	104,306	<i>(6,754)</i>
(Increase)/decrease in debtors	(189,148)	<i>(16,756)</i>
Increase/(decrease) in creditors	(298,058)	<i>571,935</i>
Investment income	(889)	<i>(607)</i>
Increase/(decrease) in provisions	3,018	<i>(2,385)</i>
Net cash provided by operating activities	688,198	<i>1,717,041</i>

25. Analysis of cash and cash equivalents

	Group 2022 £	<i>Group 2021 £</i>
Cash in hand	3,160,435	<i>2,851,258</i>
Overdraft facility repayable on demand	(6,028)	<i>(6,920)</i>
Total cash and cash equivalents	3,154,407	<i>2,844,338</i>

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26. Analysis of changes in net debt

	At 1 April 2021	Cash flows	Changes in market value and exchange rate movements	At 31 March 2022
	£	£	£	£
Cash at bank and in hand	2,851,258	309,177	-	3,160,435
Bank overdrafts repayable on demand	(6,920)	892	-	(6,028)
Liquid investments	-	300,000	7,697	307,697
	<u>2,844,338</u>	<u>610,069</u>	<u>7,697</u>	<u>3,462,104</u>

THE HEART OF KENT HOSPICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

27. Pension commitments

The charity operates three (2021 - three) defined contribution pension schemes available to the majority of its permanent employees. The scheme funds are administered by Trustees of the pension scheme and are independent of the charity's finances. During the year, £85,595 (2021 - £84,134) employers contributions were made. Contributions totalling £Nil (2021 - £7,219) were payable to the funds at the balance sheet date and are included in creditors.

The charity also makes contributions to the National Health Service Scheme for certain employees, which is a defined benefit scheme. However the scheme is a multiple employer scheme and the charity is unable to identify its share of the underlying assets and liabilities.

The last report by the Government Actuary covered the period up until 31 March 2016, as published 15 February 2019. More information is available at:

- www.gov.uk/government; and
- <https://www.nhsbsa.nhs.uk/Pensions/Valuation.aspx>.

The Report recommends a standard contribution of 20.6% to be made by the employer and the employee contributions to be made on a tiered scale from 5% to 10% of their pensionable pay depending on their total earnings. The actual rate charged to the employer for the current year was 14% due to the actual rate excluding the cost of pension increases in line the Retail Prices Index, the cost being met by the Exchequer, and the notional surplus.

The Hospice's contributions to the National Health Service Scheme represent a minor proportion of the payments into the scheme. The charge included within the Consolidated Statement of Financial Activities includes contributions payable to this scheme of £106,526 (2021 - £94,608).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

28. Operating lease commitments

At 31 March 2022 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £	<i>Group 2021 £</i>
Not later than 1 year	209,731	256,172
Later than 1 year and not later than 5 years	356,576	492,712
Later than 5 years	-	18,042
	566,307	766,926

The following lease payments have been recognised as an expense in the Statement of financial activities:

	Group 2022 £	<i>Group 2021 £</i>
Operating lease rentals	253,555	251,667

29. Related party transactions

During the year, the Charity received £480,082 (2021 - £304,742) from other group companies in respect of donations and £33,000 (2021 - £33,000) in respect of management charges. At the balance sheet date, the Charity was owed £650,478 (2021 - £238,768) from related parties.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

30. Controlling party

There is no ultimate controlling party.

31. Principal subsidiaries

The following were subsidiary undertakings of the Company:

Names	Company number	Registered office or principal place of business	Class of shares	Holding
Heart of Kent Hospice Promotions Limited	03233475	Preston Hall, Aylesford, Maidstone, Kent, ME20 7PU	Ordinary	100%
Heart of Kent Hospice Trading Limited	02547686	Preston Hall, Aylesford, Maidstone, Kent, ME20 7PU	Ordinary	100%

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Heart of Kent Hospice Promotions Limited	341,815	(137,839)	203,976	3,106
Heart of Kent Hospice Trading Limited	1,525,930	(1,236,073)	289,857	252,223

Both subsidiaries have the same registered office, being the same as Heart of Kent Hospice found on the reference and administrative details page of these financial statements.

THE HEART OF KENT HOSPICE

England & Wales - Charity number 298164

Accounts

Registered number: 2184005
Charity number: 298164

THE HEART OF KENT HOSPICE
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

THE HEART OF KENT HOSPICE
(A company limited by guarantee)

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THE HEART OF KENT HOSPICE
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021**

Patron	Marianna, Viscountess Monckton of Brenchley
Trustees	Mr J Barker-McCardle, Chair Mr C J Collins (appointed 16 November 2020) Mrs S G St C Cooper (appointed 16 November 2020) Dr A M Dibble (resigned 16 November 2020) Mr R E Fedorcio OBE Mr G Hodnett Mrs E M Howe OBE Mr G Hunter Dr N Jegard (appointed 16 November 2020) Mr M G Kelvie (resigned 16 November 2020) Mr S R B Langworthy, Honorary Treasurer Mrs J Lindsey (resigned 16 November 2020) Miss S Pain (appointed 16 November 2020) Mrs L Potts, Deputy Chair Mr H T B Smith (appointed 16 November 2020) Mrs V M Stoodley (resigned 16 November 2020) Mrs P Wilkins (resigned 16 November 2020)
Company registered number	2184005
Charity registered number	298164
Registered office	The Heart of Kent Hospice Preston Hall Aylesford Kent ME20 7PU
Chief executive officer	Mrs S Pugh (left 14 May 2021) Rachel Street (appointed as Interim from 10 May 2021)
Senior management team	Mrs K Harrison, Patient Services Director Dr G Parker MBBS (Lond) FRCP, Lead Medical Consultant Ms A Kelly, Income Generation Director Ms R Street, Finance Director
Company secretary	Mrs V M Stoodley (resigned 16 November 2020)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Independent auditors MHA MacIntyre Hudson
Maidstone
United Kingdom

Bankers Barclays Bank plc
Fremlin Walk
Maidstone
Kent
ME14 1QG

Solicitors Cripps LLP
Number 22
Mount Ephraim
Tunbridge Wells
Kent
TN4 8AS

THE HEART OF KENT HOSPICE
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their annual report together with the audited financial statements of the group and the company for the year to 31 March 2021. The Trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Heart of Kent Hospice is a charity, number 298164 and a company limited by guarantee, number 2184005; its Memorandum and Articles of Association constitute the governing documents.

The principal areas of charitable activity are the provision of specialist palliative care services in the heart of Kent area, including the boroughs of Maidstone and Tonbridge and Malling. These services include in-patient unit, outpatient centre, support therapies, a Living Well programme, community services, dementia services, counselling, education and training and spiritual care.

The governing document

The Hospice is a company limited by guarantee and does not have share capital. The constitution of the Hospice is set out in the Articles of Association which were revised and adopted by Special Resolution by Members in November 2020 with the changes ratified by the Charity Commission in May 2021.

The governance structure

During this financial year the Board of Trustees had four main sub committees which met quarterly: Clinical Governance Committee, Finance and Income Generation Committee, Governance, Risk and Remuneration Committee and a Nominations and Trustee Development Committee. Due to the pandemic, much of our business has been conducted by way of video conference and electronic means.

The Board of Trustees is responsible and accountable for the governance of the Hospice; it met six times in the year. The Chief Executive is responsible for the day-to-day management of the Hospice.

After a highly successful term of six years as our Chief Executive and previously a year as our Director of Income Generation, Sarah Pugh, resigned on 14 May 2021 to become Chief Executive of a national charity. The Board of Trustees are committed to continuity, stability and progress and appointed our Finance Director, Rachel Street, as Interim Chief Executive.

Charity governance code

The Board has full and careful regard to the Charity Governance code and uses the Code as its principal benchmark. The Board is committed to continuous improvement and development.

Recruitment and appointment of new Trustees

One of the roles of the Governance, Risk and Remuneration Committee is to recruit, induct and train Trustees. This is delegated to the Nominations and Trustee Development Committee which is led by the Deputy Chair of the Board of Trustees. The Board actively promotes diversity and seeks Trustees from a range of backgrounds. Advertisements for new Trustees are published in the local press, on relevant websites, on the Hospice's website, through local networks and in the Hospice newsletter if appropriate. Only Members of the Hospice who are elected by the Board of Trustees can be nominated as Trustees by the Governance, Risk and Remuneration Committee.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees are elected for a term of three years, renewable for a further three years. The Chair is appointed for a five-year term.

Policies and procedures for the induction and training of Trustees

The Hospice UK document entitled 'Induction of New Trustees' as well as the Charity Trustee welcome pack published by the Charity Commission is used as a model for Trustee induction and training. All Trustees receive a thorough induction and seek to ensure through the governance structure that the Board complies with best practice requirements.

Trustee code of conduct

The Board adheres to the Hospice's Code of Conduct for colleagues and volunteers. The Board takes its leadership role in upholding the values of the Hospice very seriously. The Board has adopted the Hospice's culture framework and conducts itself in line with the Hospice's behavioural standards.

The wider network

The Hospice is a member of Hospice UK. The Chair and Chief Executive attend Hospice UK meetings with other Chairs and Chief Executives in the South East Region and the Chief Executive networks both locally and nationally. The management team has well developed network links with a wide range of external organisations locally and nationally.

Risk management

A risk management framework is agreed annually by the Board. This includes a Risk Register which has been developed to identify risks, mitigation, and contingency actions. This Risk Register is reviewed and updated monthly by the Executive Team. Risks are reviewed quarterly by the relevant Trustee Committee and quarterly by the Board of Trustees. On an annual basis, the Board agrees a risk threshold and prepares a risk appetite statement.

It is recognised that this system can only provide reasonable (not absolute) reassurance that major risks are being adequately managed.

This year, the main potential risks have been:

- Financial sustainability compromised
- Patient experiences diminish
- Strategic goals not achieved

Staff and Trustees have worked closely together in the year to mitigate these risks, especially in light of the impact of the COVID-19 pandemic. Financial risks are mitigated by regularly reviewing our financial position through management accounts, cash flow modelling, reforecasting and setting long term financial plans. Maintaining levels of patient experiences has been challenging during the pandemic, in particular with regard to visiting, for example, video calling is now available for patients to contact their loved ones. Strategic goals are set annually and progress is monitored at Executive and Board meetings.

THE HEART OF KENT HOSPICE
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

OBJECTIVES AND ACTIVITIES

The Hospice's objectives, as set out in the Articles of Association are the relief of the needs of those who are suffering from a chronic or terminal illness, disability, or disease and in particular, but not so as to limit the generality of the foregoing, by:

- a) the provision of an Inpatient Unit, outpatient centre, community service and bereavement service in the Kent and Medway area for such persons and their relatives and carers;
- b) to conduct, promote or encourage research into the care and treatment of patients with progressive life-threatening diseases and to publish the beneficial results of any research undertaken by the Charity;
- c) to promote the principles and practice of palliative care throughout the wider community by assisting in multi-professional training and education;
- d) to provide and facilitate the provision of physical, social, and psychological care and spiritual help for patients, relatives or carers under the care of the Charity and for the colleagues and volunteers working with them.

Our vision

Our vision is that everyone living with a terminal illness in our community will achieve the best quality of life. We seek to achieve this by enabling people with a terminal illness in our community to live in comfort, with independence and dignity to the end of their lives, and to support those closest to them.

Our values and culture framework

Our culture, values and behaviours guide our decision making and how we conduct ourselves in our work. They ensure all patients, and their families receive the very best care day in and day out. Our values are: Compassion, Integrity, Respect and Teamwork.

The Hospice has a culture framework which celebrates our values and helps colleagues and volunteers put these values into action. The culture framework includes four core behaviours; I care, I own, I learn, and I improve, with associated behavioural standards which run through how we recruit, develop, and retain our team.

Diversity and inclusion

The Hospice is committed to being an equal opportunities employer. This means that decisions concerning all aspects of employment will be based on the needs of the organisation and not any assumptions based on sex, race, age, disability, gender reassignment, sexual orientation, married or civil partnership status, pregnancy or maternity, religion, or belief. All colleagues are required to abide by equality, diversity, and inclusion principles.

The Hospice commissioned an external equality, diversity and inclusion audit in August 2020 and has developed an action plan based on the outcomes of this audit. In particular, this audit has helped identify steps the Hospice needs to take to be even more inclusive. The Hospice is committed to providing skilled and compassionate care in a supportive environment based on mutual respect and trust, which recognises and values the difference of every individual, be they patient, carer, colleague volunteer or visitor. The Chief Executive is the executive sponsor of this work and will be supported by colleagues in the Belonging Working Group.

A member of the Hospice team is appointed as the Hospice's Freedom to Speak up Guardian and they support colleagues to speak up when they feel that they are unable to do so by other routes.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Our strategic priorities

The Charity's five strategic priorities are:

- 1. Local care:** We will establish a model of local Hospice support throughout our communities.
- 2. Flexible, person-centred care:** We will develop our services so that they can meet a wide range of patient and family needs.
- 3. Specialist care:** We will provide specialised care to every patient and maintain our reputation as a centre of excellence.
- 4. Skilled, compassionate care:** We will be the organisation of choice for colleagues and volunteers.
- 5. Care for our cause:** We will enable our local community to regard the Hospice as the local cause to support.

Patient services provided

Heart of Kent Hospice is a specialist palliative care provider, which offers support to patients with terminal illnesses including those with dementia. It has beds for up to ten inpatients and provides a programme of Living Well sessions for all patients and carers to access. The Hospice Community Team currently cares for approximately 900 patients and their carers at any one time.

The Hospice has embedded the use of outcome measures throughout all clinical areas using the Outcome Assessment Complexity Collaborative (OACC) national toolkit. This enables the clinical teams to understand better the patient and carer needs and measure individual and service outcomes for patients. The tools used as part of the OACC suite enables support and care to be delivered "at the right time, in the right place by the right person."

The Hospice offers a range of services which include:

Inpatient services

- Short term assessment and management of patients with complex and/or unstable needs, be they physical, psychological, social or spiritual
- Rehabilitation and adaptation to changes in function associated with disease progression and/or treatment
- Care in last days of life
- Emergency respite care
- Care after death

Hospice Community Team

The aim of the Hospice Community Team is to provide high quality, seven day a week specialist palliative care advice for those patients with a progressive life limiting illness who are being cared for at home or in a care home and to offer support to their family, carers, and friends. The team has a skill mix of Nurses, a Paramedic and Healthcare Assistant, all who contribute to patients and carers being seen at the right time, in the right place by the right person.

They provide:

- Clinical assessment and ongoing support to maximise symptom control
- A weekly complex care clinical drop-in session (these were paused during the COVID-19 pandemic)
- Outpatient appointments or home visits (as appropriate under the COVID-19 pandemic restrictions)
- Advance care planning and support for patients with their preferences and wishes
- Advice and support for external healthcare professionals

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Hospice Dementia Team

The Hospice Dementia Team takes referrals for dementia patients early on in their illness to enable advance care planning and offering support and education to patients and carers. The Head of the Dementia Team is supported by an experienced Clinical Nurse Specialist, Staff Nurse and a Healthcare Assistant, and they all support patients and carers in their own homes or in care homes.

They provide:

- A monthly Dementia Café held in Magnolia Place outpatient centre (this moved to a virtual café during the pandemic)
- Making Memories® which is a six-week dementia programme for patients and their carers
- Carer support group
- With social work support they provide pre bereavement and post bereavement support for carers
- Formal and informal training for carers and healthcare professionals

The role of the Hospice Community and Dementia Teams are both advisory and educational. The teams do not take over the day-to-day care of the patient but act as an expert resource, which provides information and support for patients, carers, and healthcare professionals.

The Dementia caseload was 323 patients in March 2021 (346 in March 2020).

Family Support Team and Living Well

The Family Support and Living Well team offers counselling, social work for children, young people and families, welfare advice and chaplaincy support led by our Spiritual Lead with volunteer support to all patients in the community and within the outpatient centre and Inpatient Unit. This support is offered pre-bereavement to the patients and/or their carers, at the time of the death and into bereavement.

Working in close liaison with the primary health care team, the Family Support and Living Well Team provides:

- A drop-in service
- Living Well programme hosted in the Hospice
- Outreach Living Well sessions in local village halls
- Clinical surveillance, advice and support from the multi professional team
- Rehabilitation and enablement
- Hypnotherapy
- Support and opportunities to meet others facing life limiting illness
- Therapeutic and creative activities
- Complementary therapy
- Spiritual support
- Bereavement groups
- Motor Neurone Disease support group

Therapies

Occupational therapy and physiotherapy can be offered to Hospice patients on the Inpatient Unit and through the Living Well programme as required.

Education and development

The Clinical Educator and Practice Development Nurse provide internal and external clinical training including some statutory and mandatory training sessions. The role supports colleagues to achieve the Hospice competencies and clinical competencies as required.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

The Clinical Educator also provides training on all aspects of palliative and end-of-life care to nursing homes and other healthcare professionals.

Heart of Kent Hospice has become a regional provider for Accredited Gold Standards Framework training for care homes and domiciliary care agencies and facilitates the European Certificate in Palliative Care distance learning course.

In partnership with Canterbury Christchurch University, the Hospice is ready to facilitate a Negotiated Learning module for healthcare professionals relating to end-of-life Care for patients with dementia and carers.

The education team also support the Clinical Sister and Head of Inpatient Unit to ensure the standards required to deliver outstanding care on the Inpatient Unit are met. The Practice Development Nurse works with nurses on their induction, return to practice, student nurses and the Inpatient Unit team to complete their practical and theoretical competencies.

The Hospice provides further education via ECHO (Extension of Community Healthcare Outcomes) networks. ECHO is a shared learning Zoom platform supported by Hospice UK. The Hospice has delivered 10 monthly sessions to Kent Community Health Foundation Trust end-of-life champion nurses.

The Hospice COVID-19 Response 2020-21

In March 2020, the Hospice responded to the COVID-19 pandemic, utilising the strategies and tools in the business continuity plan, and putting in place measures, such as daily Executive Team calls, weekly Heads of Department calls and remote working to manage the risks to our patients, their families, colleagues, and volunteers.

All Living Well face-to-face sessions, Dementia Café and Making Memories groups ceased, and a programme of on-line sessions was produced, including an online monthly Dementia Café. All drop-in and outpatient appointments ceased. Only essential home visits were carried out. Patients and carers were supported by the clinical teams on the phone and by video link.

The Inpatient Unit continued to admit patients and following individual risk assessments Patient Care Volunteers continued to support the nursing team.

All education and training sessions were transferred to on-line sessions via video platforms. The education team worked with Kent and Medway Clinical Commissioning Group education platform to produce training for care home providers and visited care homes to provide practical personal protective equipment (PPE) and COVID-19 swab testing training.

The Patient Services Director joined a daily local health economy meeting which included all local healthcare providers and took a system wide approach to information sharing and escalation of concerns. To ease the pressure on the acute trust the Hospice liaised with the discharge team and Frailty Matrons to facilitate inpatient admissions for appropriate patients.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Quality Assurance

Following a routine inspection by the Care Quality Commission (CQC) in February 2017 the Hospice achieved an overall rating of Outstanding, gaining Outstanding in Caring and Responsive domains and Good in Safe, Effective and Well led.

Patient services report quarterly to the Clinical Governance Committee.

Monthly clinical management and medicines management meetings take place covering topics such as safeguarding, audit, complaints, and incidents. An audit and research group meets every eight weeks, to review and monitor the core clinical audits and to ensure the implementation of any actions or learning from audit findings. It also encourages each clinical team to undertake at least two service specific audits per year. Monthly spot checks are carried out across clinical areas to ensure quality and standards are maintained.

Due to the pandemic, the National Institute for Health Research Clinical Research Network (NIHR CRN) paused the site setup of any new or ongoing studies at NHS and social care sites that were not nationally prioritised COVID-19 studies in March 2020. Since the non-urgent public health research studies have gradually resumed their activities, the Hospice has recruited 19 caregivers overall to the two following national Portfolio Studies:

- Measuring Outcomes of People with Dementia and Their Carers
- Qualitative Study of Experiences of Family Carers of People with Cancer Receiving Home Based – Palliative Care

The Hospice continues to support colleagues' personal development. Members of the senior nursing teams are undertaking Non-Medical Prescribing and Advanced Assessment Skills training.

In the Monckton Education Centre, we deliver the Hospice's external and internal programme of high-quality palliative and end of life care training courses. Bespoke training is carried out in nursing and care homes by the Clinical Educator and Practice Development Nurse, this training can be supported by "experience days" on the Inpatient Unit.

Following the merger of eight local Clinical Commissioning Groups (CCGs) in April 2020 to form Kent and Medway CCG, the Patient Services Director and Head of Community Team attend the Kent and Medway CCG End of Life Group meetings monthly to work in collaboration with other agencies to formulate and implement a Kent and Medway CCG End of Life Strategy.

The Patient Services Director and Head of Hospice Dementia Team attend all relevant sector groups including a Dementia Strategic Implementation Group, a Cancer Improvement Group and the West Kent Alliance Joint Programme Management Group.

The Patient Services Director is Co-chair of the Executive Clinical Leads in Hospice and Palliative Care South East Group and a Specialist Advisor for CQC.

Key Performance Indicators (KPIs)

The Hospice uses a number of KPIs and dashboards to monitor outputs achieved by activities. The Clinical dashboard is produced monthly and consists of nine key metrics including, caseload, number of referrals, bed occupancy and complaints. The Strategic KPIs are produced quarterly and consist of 20 KPIs, linked to each of the five strategic priorities with a baseline target set for each KPI.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Conferences

Due to the COVID-19 pandemic the Hospice has not hosted a conference in 2020-2021.

Clinical surveys

In previous years the Hospice has undertaken the National Famcare Bereavement Survey. We have now decided to create our own bereavement survey to ensure a meaningful approach for bereaved outcomes; this will take place during summer 2021.

The Compassionate Neighbours team of volunteers helped with a telephone survey over a six-week period in June and July 2020. The aim of the survey was to discover and report patient and carer satisfaction during the first COVID-19 lockdown, for the Hospice to assess if we were meeting the needs of the patients and carers and identify any themes of concern.

- 163 surveys were completed
- Three people declined to participate
- 51% of respondents were patients
- 49% of respondents were the patient's main caregiver or next of kin
- Overall, engagement was extremely high at 98%, with a satisfaction score of 82%.

Patients and carers told us that they liked the regular calls from Hospice clinical teams during lockdown and felt reassured. Patients reported missing the face-to-face Living Well sessions. The main area of concern was regarding whether hospital appointments and follow ups would happen and how this would impact the patient.

The Patient and Carer Engagement (PACE) Group continued to meet every eight weeks until the COVID-19 pandemic prevented face to face meetings and the group now meet virtually. They support patient and carer feedback enabling the Hospice to make improvements and respond to comments in a constructive, positive way. New members have been recruited to the group during the last year.

Inpatient Unit

During the year to 31 March 2021 a total number of 3,660 bed days (2020: 3,660) were available. Within the period of the financial year there were 192 inpatient stays (2020: 192), of which 190 (2020: 191) were first admissions and 2 (2020: 1) were repeat admissions.

The average length of an inpatient stay was 10 days (2020: 11). The average bed occupancy of available beds for the year was 66% (2020: 75%).

Hospice Community Team

The multiskilled Hospice Community Team (Clinical Nurse Specialists, Staff Nurses, Paramedic and Healthcare Assistant) have efficiently met the demand of a busy and growing caseload. The average caseload during the year was 859 patients. Despite a small decrease in referrals during the year the actual caseload increased by 5% (2020: 7% increase).

The team have also embraced new ways of working by providing outpatient clinics at two GP practices, which broadens the scope of choice for community patients and is in line with our strategic aims.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Hospice Dementia Team

The Hospice Dementia Team recruited a Staff Nurse to the team in 2020 joining the Head of Service, Clinical Nurse Specialist and Healthcare Assistant.

The team carry out specialist dementia assessments in patients' own homes, via telephone or video link and in care homes. They provide carer support for both family carers and paid carers.

Making Memories® are six-week sessions that include peer support, pre-bereavement support and education for carers as well as group activities. The monthly Dementia Café has developed with an average of 50 people attending.

During the year ended 31 March 2021, the total number of patients cared for by the Hospice Community and Dementia Teams was 1,790 (2020: 1,703) of which total referrals for both was 937 (2020: 992); of which 794 (2020: 781) Hospice Community Team and Hospice Dementia Team 143 (2020: 211).

Our Hospice Community Team conducted 1001 (2020: 1,886) home visits, telephone and video assessments and made a total of 21,413 (2020: 15,839) telephone calls. Our Hospice Dementia Team conducted 525 home visits, telephone and video assessments (2020: 601) and made a total of 4,294 telephone calls (2020: 3,359).

During the year 810 patients died (2020: 737).

Family Support Team

The number of bereavement counselling referrals was 230 (2020: 181) and welfare referrals were 151 (2020: 159). A new service with a "Drop-in" approach commenced in January 2020 and was developing well until hit by the COVID-19 lockdown, since then all bereavement support has been by telephone or video link.

IT

The Head of Information and Quality Assurance is responsible for the management of the range of Hospice databases and works closely with Heads of Departments and the Hospice's IT provider to facilitate best use and safe storage of available data.

This year we once again successfully met the Data Security and Protection toolkit requirements and the annual assessment we submitted was approved. This enables us to use NHS Connecting for Health systems and services such as N3. This will enable the medical and clinical teams at the Hospice to share and access relevant patient information in a secure manner and improve the overall coordination of care.

Clinical colleagues are using iPOS (Integrated Palliative Care Outcome Scale) to measure patient outcomes which will enable the Hospice to report into Public Health England's new Palliative Care Information Framework. Outcome measures are now being used to triage patients according to their needs.

We report internally on key performance indicators monthly and share information with Kent and Medway CCG as required for the grant in aid agreement. We also submit data to Hospice UK to enable us to benchmark drug incidents, and slips, trips and falls against local and national data.

We have started on our journey of digital transformation, embracing new technologies in our everyday working and in response to COVID-19, enabling colleagues to work remotely, productively and effectively.

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FOR THE YEAR ENDED 31 MARCH 2021

Income Generation

Heart of Kent Hospice is registered with the Fundraising Regulator and is an organisational member of the Chartered Institute of Fundraising. Our lottery is registered with The Gambling Commission. Our supporter promise is published on our website and outlines our commitment to our supporters. Each year members of the fundraising and finance team attend regulation and compliance training. This training includes guidance on how to identify and support vulnerable people.

All colleagues are held accountable to our supporter promise and organisational behaviour framework.

The Hospice is registered with the Fundraising Preference Service and received no requests in the year ended 31 March 2021.

In adherence with the Fundraising Regulator's best practice (the code of Fundraising Practice), and General Data Protection Regulations (GDPR), our fundraising communications schedule is overseen by the Director of Income Generation and the Data Protection Officer (DPO).

Other regulatory bodies that the Hospice adheres to are the Committee of Advertising Practice (CAP), which governs non-broadcast advertisements, sales promotions and direct marketing communications and the Privacy and Electronic Communications Regulations (PECR), which is law in the UK and has rules on marketing calls, emails, texts and faxes, the use of cookies, keeping communication services secure and customer privacy.

Income is traditionally generated through a programme of fundraising activity, lottery and our network of retail shops. However, due to the pandemic, our income generation portfolio in the year ended 31 March 2021 showed a larger than normal dependence on unique one-off funding sources.

Our Urgent Fundraising Appeal was launched in April 2020 when the majority of our planned fundraising activities had to be cancelled and our 14 charity shops had to close in line with the lockdown restrictions imposed by the Government. The Appeal ran for the duration of the financial year and generated £1.2 million through a combination of individual giving, trusts & foundations and local businesses. Included in the income generated through the appeal was a grant of £500,000 from Colyer Fergusson Charitable Trust to be used to support the Hospice recover from the pandemic during the financial year to 31 March 2022 and is thus included in deferred income.

Alongside one-off gifts to our Appeal, we focussed on sustaining income from streams which were not affected by social distancing. Individual giving and trusts & foundations both ended the year achieving close to their pre-COVID-19 business as usual targets. As anticipated, events, community fundraising and corporate fundraising were most severely impacted.

In line with a re-forecast budget taking into consideration the impact of COVID-19 pandemic, participation in our weekly lottery fell during 2020-2021 as recruitment options were limited to digital only.

Retail financial targets assumed no retail income until September 2020 due to lockdown. However a short spell of trading, when restrictions allowed, boosted retail income in the early part of the year but ceased again as the shops closed for the second and third national lockdowns. In addition, furlough, retail government grants and business interruption insurance payments all contributed to a favourable year end position.

Elmer's Big Heart of Kent Parade, which was postponed from 2020 to 2021, attracted some additional sponsors during the year ended 31 March 2021. This vibrant, colourful art trail will now take place from June to September 2021.

The Finance and Income Generation Committee meets quarterly to oversee income generation activity and monitor progress.

THE HEART OF KENT HOSPICE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Expenditure on raising funds (not including Other trading expenses – note 9) reduced by 16% in the year ended 31 March 2021 compared to the prior year.

Fundraising Regulation and Compliance

Heart of Kent Hospice complies with sector best practice. It is a member of the Fundraising Regulator and Chartered Institute of Fundraising and registered with the Fundraising Preference Service.

During 2020-2021 all fundraising was conducted by the Hospice's team of employed fundraisers. No complaints were received with regards to fundraising throughout the course of the year and no professional fundraisers were contracted.

One commercial partnership agreement was entered into relating to the proceeds of a book co-written by the Hospice's Lead Palliative Care Consultant.

No third-party lottery canvassing took place in 2020-2021.

The Hospice monitors and manages its fundraising regulation and compliance through a combination of training programmes, internal processes, internal audits and quarterly management reporting. This takes into consideration the collection and use of personal data, frequency of contact, how to identify and support vulnerable people and compliance and regulatory requirements.

FINANCIAL REVIEW

As reported in the Consolidated Statement of Financial Activities for the year, the Hospice's results for the year ended 31 March 2021 show a surplus of £1,021k, this compared to a surplus of £456k for the previous year. Total income for the year was £6.0m, compared to £5.4m in 2020. Given the disruptions caused by the pandemic during the year, these are outstanding figures and can be explained by the exceptional response to the Urgent Fundraising Appeal and several one-off items relating to COVID-19 support, namely £1,059k for the COVID-19 Capacity grant awarded by NHS England via Hospice UK, £176k for furlough claims, £234k for business interruption insurance and £148k for retail grants. The NHSE awarded funding to allow the Hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the COVID-19 situation and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose.

The budget for 2021 was set at a deficit of £776k, before the one off sources of funding above became known and therefore the actual results generated have resulted in reserves being higher than expected. A deficit budget of £324k for 2022 has been set and the challenge facing the Hospice in the short term is how, in uncertain times, it can both invest in services and return to an operational balanced financial position.

The resources expended in delivering our charitable activities and services (note 10) increased marginally, reflecting the investments made in service development and the increase in the number of patients and families we are reaching.

Of the funds raised, £1.5m (an 18% reduction on 2020: £1.8m) was utilised in generating the funds themselves, the majority of which relates to the operating costs of the two trading subsidiaries.

The grant received from Kent and Medway Clinical Commissioning Group under a service level agreement of £964k (2020: £950k), amounted to approximately 19% of total expenditure (2020: 19%), which means that the Hospice must obtain at least 81% of its funding from other sources.

An analysis of the income for the year is shown in Note 4 of the accounts.

THE HEART OF KENT HOSPICE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

RESERVES POLICY

The Trustees have reviewed the reserves policy and they continue to require the Hospice to hold free reserves to improve both the financial security and the operational flexibility of the Hospice. They continue to have a target for the amount of reserves (as measured by the unrestricted general fund, including undesignated fixed assets offset by long term creditors), the level required was last reviewed in 2019 and was set to a target of between (minimum) four (£1.3m) to (maximum) based on estimated costs of closure for the Hospice and its trading subsidiaries (£2.2m). On 31 March 2021, the Charity's free reserves amount to £2.9m (2020 - £1.9m). The total consolidated funds on 31 March 2021 were £5.4m (2020 - £4.4m) and consolidated restricted funds on 31 March 2021 were £0.2m (2020 - £0.2m). Given the experience of the last financial year and the impact of the pandemic on the Hospice's potential ability to generate income, the Trustees will further review the reserves policy.

GOING CONCERN

Accounting standards require the Trustees to consider the appropriateness of the going concern basis when preparing the financial statements. The Trustees confirm that they consider that the going concern basis remains appropriate.

The Trustees regard the going concern basis as remaining viable as the Charity has adequate resources to continue in operational existence for the foreseeable future on the basis that there are adequate cash reserves within the Charity.

Investment Policy and Returns

The Trustees are permitted by the Charity's Memorandum and Articles of Association to invest the monies of the Trust not immediately required for its own purpose in such investments, securities or property as may be thought fit.

Investment income in the year ended 31 March 2021 was £607 (2020: £3,823).

The Executive regularly monitors the cashflow requirements of the charity and reports to Trustees, striving to secure competitive interest rates where applicable by considering the most appropriate vehicles for investing the funds, taking account of interest rates, credit and interest rate risks and terms to maturity.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit. The charitable purpose of Heart of Kent Hospice is stated in its 'Objectives and Activities' and the Trustees ensure that this purpose is carried out for the public benefit by working to these objectives.

Special acknowledgement to colleagues, volunteers and advisors

The Board of Trustees wishes to record its appreciation of the Hospice's highly committed colleagues and volunteers who generously and unstintingly give their time, skills and expertise. The unprecedented pace at which everyone has adapted in response to COVID-19 is acknowledged. The continued commitment to make a difference in such challenging times is inspiring.

The Hospice is fortunate to have in the region of 600 volunteers who make a contribution to the Hospice worth £1m in time. The Hospice could not survive in its present form without the support of its generous volunteers who offer their contributions in all aspects of Hospice activity; this includes clinical, administrative and income generation roles.

The Board is grateful for the valuable help and assistance received from its professional advisers.

THE HEART OF KENT HOSPICE
(A company limited by guarantee)

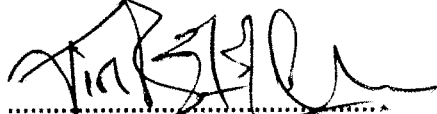
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Disclosure of information to auditor

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 group's auditor is unaware, and
- that 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 group's auditor is aware of that information.

Approved by order of the members of the board of Trustees and signed on their behalf by:



.....
Mr J Barker-McCardle
Chair

Date: 23 September 2021

THE HEART OF KENT HOSPICE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

REMUNERATION POLICY

The remuneration of key management colleagues is reviewed by a subcommittee of the Hospice's Board of Trustees to ensure it is competitive with the charity sector, proportionate to the complexity of each role and in line with our charitable objectives and values. A review is conducted every three years of pay, terms and conditions of all colleagues to ensure they are fair and competitive.

Future Plans

The Hospice has a three-year Strategic Plan in place which covers the years 2021/22 to 2023/24. The five strategic priorities are listed above under the heading: Our strategic priorities, and the full plan can be found on our website (www.hokh.org).

Trustees' responsibilities statement

The Trustees (who are also directors of The Heart of Kent Hospice for purposes of company law) are responsible for preparing the Trustees' 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 charitable company and the group and of the income resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

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

THE HEART OF KENT HOSPICE
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HEART OF KENT HOSPICE

Opinion

We have audited the financial statements of The Heart of Kent Hospice (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2021 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

THE HEART OF KENT HOSPICE
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HEART OF KENT HOSPICE
(CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 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.

Opinion 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' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, 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.

THE HEART OF KENT HOSPICE
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HEART OF KENT HOSPICE
(CONTINUED)

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

- Reviewing minutes of meetings of those charged with governance;
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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

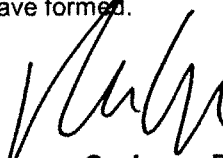
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

THE HEART OF KENT HOSPICE
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HEART OF KENT HOSPICE
(CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Duncan Cochrane-Dyet BSc FCA (Senior statutory auditor)
for and on behalf of
MHA MacIntyre Hudson
Statutory Auditors
Maidstone

Date: 6 October 2021

THE HEART OF KENT HOSPICE
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	4	3,302,672	1,279,062	4,581,734	2,680,707
Charitable activities	5	280,521	-	280,521	273,952
Other trading activities	6	886,747	-	886,747	2,229,036
Investments	7	607	-	607	3,823
Other income	8	233,575	-	233,575	243,640
		<u>4,704,122</u>	<u>1,279,062</u>	<u>5,983,184</u>	<u>5,431,158</u>
Total income					
Expenditure on:					
Raising funds	9	1,498,946	-	1,498,946	1,794,507
Charitable activities	10	2,288,104	1,177,471	3,465,575	3,178,490
		<u>3,787,050</u>	<u>1,177,471</u>	<u>4,964,521</u>	<u>4,972,997</u>
Total expenditure					
Net income before taxation					
		917,072	101,591	1,018,663	458,161
Taxation		2,385	-	2,385	(2,642)
Net income after taxation					
		919,457	101,591	1,021,048	455,519
Transfers between funds	22	28,250	(28,250)	-	-
		<u>947,707</u>	<u>73,341</u>	<u>1,021,048</u>	<u>455,519</u>
Net movement in funds					
Reconciliation of funds:					
Total funds brought forward		4,259,585	166,173	4,425,758	3,970,239
Net movement in funds		947,707	73,341	1,021,048	455,519
		<u>5,207,292</u>	<u>239,514</u>	<u>5,446,806</u>	<u>4,425,758</u>
Total funds carried forward					

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

The notes on pages 25 to 50 form part of these financial statements.

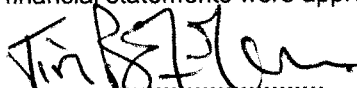
THE HEART OF KENT HOSPICE
(A company limited by guarantee)
REGISTERED NUMBER: 2184005

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	15	2,810,282	2,920,073
		<u>2,810,282</u>	<u>2,920,073</u>
Current assets			
Stocks	17	116,040	109,286
Debtors	18	655,485	638,729
Cash at bank and in hand		2,851,258	1,178,781
		<u>3,622,783</u>	<u>1,926,796</u>
Creditors: amounts falling due within one year	19	(985,090)	(417,557)
Net current assets		<u>2,637,693</u>	<u>1,509,239</u>
Total assets less current liabilities		<u>5,447,975</u>	<u>4,429,312</u>
Provisions for liabilities		(1,169)	(3,554)
Total net assets		<u><u>5,446,806</u></u>	<u><u>4,425,758</u></u>
Charity funds			
Restricted funds	22	239,514	166,173
Unrestricted funds	22	5,207,292	4,259,585
Total funds		<u><u>5,446,806</u></u>	<u><u>4,425,758</u></u>

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:



Mr J Barker-McCardle
 Chair

Date: 23 September 2021

The notes on pages 25 to 50 form part of these financial statements.

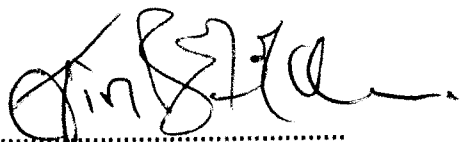
THE HEART OF KENT HOSPICE
 (A company limited by guarantee)
 REGISTERED NUMBER: 2184005

COMPANY BALANCE SHEET
 AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	15	2,779,664	2,877,417
Investments	16	3	3
		<u>2,779,667</u>	<u>2,877,420</u>
Current assets			
Debtors	18	820,351	539,645
Cash at bank and in hand		2,397,141	972,491
		<u>3,217,492</u>	<u>1,512,136</u>
Creditors: amounts falling due within one year	19	(791,928)	(210,035)
Net current assets		<u>2,425,564</u>	<u>1,302,101</u>
Total assets less current liabilities		<u>5,205,231</u>	<u>4,179,521</u>
Total net assets		<u><u>5,205,231</u></u>	<u><u>4,179,521</u></u>
Charity funds			
Restricted funds	22	239,514	166,173
Unrestricted funds	22	4,965,717	4,013,348
Total funds		<u><u>5,205,231</u></u>	<u><u>4,179,521</u></u>

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:



.....
Mr J Barker-McCardle

Date: 23 September 2021

The notes on pages 25 to 50 form part of these financial statements.

THE HEART OF KENT HOSPICE
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	1,717,041	142,544
	<hr/>	<hr/>
Cash flows from investing activities		
Proceeds from the sale of tangible fixed assets	-	600,000
Purchase of tangible fixed assets	(40,769)	(134,513)
Interest received	607	3,823
	<hr/>	<hr/>
Net cash (used in)/provided by investing activities	(40,162)	469,310
	<hr/>	<hr/>
Cash flows from financing activities		
Repayments of borrowing	-	(550,898)
	<hr/>	<hr/>
Net cash provided by/(used in) financing activities	-	(550,898)
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	1,676,879	60,956
Cash and cash equivalents at the beginning of the year	1,167,459	1,106,503
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	2,844,338	1,167,459
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 25 to 50 form part of these financial statements

THE HEART OF KENT HOSPICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. General information

The Heart of Kent Hospice is a charitable company limited by guarantee and is registered with the Charity Commission (Charity Registered Number: 298164) and the Registrar of Companies (Company Registered Number: 02184005) in England and Wales.

The address of the registered office is given in the Charity information page of these financial statements. The nature of the Charity's operations and the principal activities are that of a Hospice and associated activities.

The Members of the Company are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per Member of the Charity.

The financial statements are presented in sterling which is the functional currency of the Charity and rounded to the nearest £1.

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.

The Heart of Kent Hospice meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Company and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

The Company's net movement in funds for the year was £1,025,710 (2020: £469,781).

2.2 Going concern

The financial statements have been prepared on a going concern basis. In response to the COVID-19 pandemic, the Trustees have performed a robust analysis of forecast future cash flows taking into account the potential impact on the business of possible future scenarios arising from the impact of COVID-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact of COVID-19.

After making appropriate enquiries, the Trustees are satisfied that the charity is able to operate for the foreseeable future. Therefore they have adopted the going concern basis in preparing these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

No amounts are included in the financial statements for services donated by volunteers, or the free use of facilities where the value of the gift cannot be measured reliably.

2.4 Expenditure

All resources expended are accounted for on an accruals basis.

Charitable activities include the costs of services and support costs.

Costs of Generating Funds include fundraising, publicity costs and non-charitable trading activities together with their related support costs.

Support costs are allocated across non-charitable and charitable activities on a pro-rata basis guided by the value of attributable costs, being a measurement considered representative of the specific input into each activity.

The irrecoverable element of VAT is included with the item of expenses to which it relates.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objectives of the company.

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Consolidated statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Consolidated statement of financial activities as the related expenditure is 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 institution with whom the funds are deposited.

2.7 Taxation

The Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

THE HEART OF KENT HOSPICE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Land and buildings	-	2%	on buildings, land not depreciated
Hospice building	-	2%	
Motor vehicles	-	25%	
Fixtures and fittings	-	20% - 30%	
Computer equipment	-	33%	

2.9 Investments

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

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.

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 2021

2. Accounting policies (continued)

2.13 Liabilities and provisions

Liabilities and provisions 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 Company 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 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable surpluses from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

2.15 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.16 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight line basis over the lease term.

2.17 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

The Group also contributes to the National Health Service Scheme for some of its employees. However, the scheme is a multi employer defined benefit scheme and the Group is therefore unable to identify its share of the underlying assets and liabilities.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.18 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

3. Critical accounting estimates and areas of judgment

Estimates and judgments 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.

Critical accounting estimates and assumptions:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Tangible fixed assets: the directors annually assess both the residual value of these assets and the expected useful life of such assets. Details on the expected useful lives of assets are reflected in the depreciation accounting policy in note 2.8.

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4. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Donations	1,273,759	11,000	1,284,759
Legacies	655,264	-	655,264
Grants	977,770	8,700	986,470
COVID-19 funding	324,862	1,059,241	1,384,103
Trusts	71,017	200,121	271,138
	<u>3,302,672</u>	<u>1,279,062</u>	<u>4,581,734</u>

The COVID-19 funding in unrestricted funds relates to Heart of Kent Hospice Trading Limited furlough income and retail grants amounting to £176,602 and £148,260 respectively. The restricted funds for COVID-19 income amounts to £1,059,241 which is made up of £903,334 funded from Hospice UK and £155,907 relating to furlough income.

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Donations	623,905	94,605	718,510
Legacies	388,135	-	388,135
Grants	1,282,473	13,742	1,296,215
Trusts	63,717	214,130	277,847
	<u>2,358,230</u>	<u>322,477</u>	<u>2,680,707</u>

5. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Income from charitable activities	280,521	280,521	273,952
	<u>280,521</u>	<u>280,521</u>	<u>273,952</u>

In 2020, all of the income from charitable activities was attributable to unrestricted funds.

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6. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Hospice fundraising income - events	35,833	35,833	131,657

In 2020, all of the income from fundraising activities was attributable to unrestricted funds.

Income from non charitable trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Lottery income	337,179	337,179	357,477
Trading shops and ebay	513,735	513,735	1,739,902
	<u>850,914</u>	<u>850,914</u>	<u>2,097,379</u>

In 2020, all of the income from non charitable trading activities was attributable to unrestricted funds.

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Interest receivable	607	607	3,823

In 2020, all of the income from investment activities was attributable to unrestricted funds.

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NOTES TO THE FINANCIAL STATEMENTS
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8. Other incoming resources

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Insurance claims receivable	233,575	233,575	-
Profit on sale of tangible fixed assets	-	-	243,640
	<u>233,575</u>	<u>233,575</u>	<u>243,640</u>

In 2020, all other incoming resources were attributable to unrestricted funds.

9. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Events and other fundraising costs	57,373	57,373	118,164
Allocated centrally incurred support costs	40,598	40,598	39,802
Wages and salaries	279,728	279,728	307,619
Social security	28,585	28,585	26,736
Pension contributions	9,851	9,851	10,327
Depreciation	14,512	14,512	21,782
	<u>430,647</u>	<u>430,647</u>	<u>524,430</u>

In 2020, all expenditure incurred was attributable to unrestricted funds.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9. Expenditure on raising funds (continued)

Other trading expenses

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Lottery expenditure	161,712	161,712	134,138
Trading shops and ebay expenditure	434,605	434,605	601,446
Staff costs	452,734	452,734	489,225
Depreciation	19,248	19,248	45,268
	<u>1,068,299</u>	<u>1,068,299</u>	<u>1,270,077</u>

10. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Inpatient services	1,680,155	993,747	2,673,902
Family Support services	183,518	-	183,518
Community services	341,232	183,724	524,956
Education department	83,199	-	83,199
	<u>2,288,104</u>	<u>1,177,471</u>	<u>3,465,575</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

10. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Inpatient services	2,301,875	11,629	2,313,504
Family Support services	145,193	17,051	162,244
Community services	526,797	108,464	635,261
Education department	53,739	13,742	67,481
	<u>3,027,604</u>	<u>150,886</u>	<u>3,178,490</u>

Summary by expenditure type

	<i>Staff costs 2021 £</i>	<i>Depreciation 2021 £</i>	<i>Other costs 2021 £</i>	<i>Total funds 2021 £</i>
Inpatient services	2,063,371	85,919	524,612	2,673,902
Family Support services	155,819	6,185	21,514	183,518
Community services	424,439	21,893	78,624	524,956
Education department	72,441	2,804	7,954	83,199
	<u>2,716,070</u>	<u>116,801</u>	<u>632,704</u>	<u>3,465,575</u>

	<i>Staff costs 2020 £</i>	<i>Depreciation 2020 £</i>	<i>Other costs 2020 £</i>	<i>Total funds 2020 £</i>
Inpatient services	1,763,395	96,088	454,021	2,313,504
Family Support services	132,720	6,739	22,785	162,244
Community services	535,335	26,384	73,542	635,261
Education department	58,225	2,803	6,453	67,481
	<u>2,489,675</u>	<u>132,014</u>	<u>556,801</u>	<u>3,178,490</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

11. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Inpatient services	2,195,762	478,140	2,673,902
Family Support services	149,096	34,422	183,518
Community services	403,115	121,841	524,956
Education department	67,594	15,605	83,199
	<u>2,815,567</u>	<u>650,008</u>	<u>3,465,575</u>

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Inpatient services	1,928,650	384,854	2,313,504
Family Support services	135,254	26,990	162,244
Community services	529,585	105,676	635,261
Education department	56,254	11,227	67,481
	<u>2,649,743</u>	<u>528,747</u>	<u>3,178,490</u>

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NOTES TO THE FINANCIAL STATEMENTS
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11. Analysis of expenditure by activities (continued)

Analysis of support costs

	Inpatient services 2021 £	Family Support services 2021 £	Community services 2021 £	Education department 2021 £	Total funds 2021 £
Staff costs	151,915	10,936	38,711	4,958	206,520
Depreciation	85,919	6,185	21,893	2,804	116,801
Professional fees	2,593	187	661	85	3,526
Audit and accountancy fees	4,832	348	1,231	158	6,569
IT Support	94,130	6,776	23,987	3,072	127,965
Premises costs	56,328	4,055	14,355	1,839	76,577
Other support costs	34,004	2,449	8,665	1,109	46,227
Repairs and maintenance	48,419	3,486	12,338	1,580	65,823
	478,140	34,422	121,841	15,605	650,008

	Inpatient services 2020 £	Family Support services 2020 £	Community services 2020 £	Education department 2020 £	Total funds 2020 £
Staff costs	113,170	7,936	31,075	3,301	155,482
Depreciation	96,088	6,739	26,384	2,803	132,014
Professional fees	11,541	809	3,169	337	15,856
Audit and accountancy fees	4,061	285	1,115	118	5,579
IT Support	42,137	2,955	11,570	1,229	57,891
Premises costs	43,567	3,056	11,963	1,271	59,857
Other support costs	41,995	2,945	11,532	1,226	57,698
Repairs and maintenance	32,295	2,265	8,868	942	44,370
	384,854	26,990	105,676	11,227	528,747

Included within support costs are governance costs totalling £23,172 (2020 - £15,925).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

12. Auditors' remuneration

	2021	<i>2020</i>
	£	£
Fees payable to the Company's auditor for the audit of the Company's annual accounts	6,875	<i>5,708</i>
Fees payable to the Company's auditor in respect of:		
The audit of the Heart of Kent Hospice Promotions Limited annual accounts	2,063	<i>3,009</i>
The audit of the Heart of Kent Hospice Trading Limited annual accounts	4,688	<i>2,283</i>
All taxation advisory services not included above	1,875	<i>1,250</i>
All non-audit services not included above	3,950	<i>2,750</i>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

13. Staff costs

	Group 2021 £	<i>Group</i> <i>2020</i> £	Company 2021 £	<i>Company</i> <i>2020</i> £
Wages and salaries	3,019,886	2,889,432	2,609,722	2,447,740
Social security costs	288,428	247,319	262,955	218,549
Contribution to defined contribution pension schemes	178,654	186,831	161,557	168,068
	<u>3,486,968</u>	<u>3,323,582</u>	<u>3,034,234</u>	<u>2,834,357</u>

THE HEART OF KENT HOSPICE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

13. Staff costs (continued)

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

	Group 2021 No.	<i>Group 2020 No.</i>
Fundraising	11	11
Inpatient services	39	42
Community services	13	15
Education department	2	2
Management (including clinical manager and facilities team)	20	17
Family support services	8	7
Finance	5	6
Catering	7	9
Trading companies	25	26
Dementia	3	-
	<hr/> 133 <hr/>	<hr/> 135 <hr/>

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

	Group 2021 No.	<i>Group 2020 No.</i>
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	1	1
In the band £100,001 - £110,000	1	-

Pension contributions paid in respect of higher paid staff total £14,689 (2020 – £21,598).

During the year, 17 (2020 – 18) employees were accruing pensions under the defined contribution pension scheme, 71 (2020 – 51) under the NEST scheme and 22 (2020 – 27) employees were accruing pensions under a defined benefit pension scheme. 1 under clerical medical scheme (2020 – 1).

The total wages and salaries including national insurance paid to key management personnel during the year amounted to £411,430 (2020 – £390,655).

14. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £NIL).

THE HEART OF KENT HOSPICE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

15. Tangible fixed assets

Group

	Hospice Building £	Freehold Property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation						
At 1 April 2020	3,821,525	532,469	69,874	1,403,079	13,910	5,840,857
Additions	-	-	-	39,559	1,210	40,769
Disposals	-	-	-	(180)	-	(180)
At 31 March 2021	<u>3,821,525</u>	<u>532,469</u>	<u>69,874</u>	<u>1,442,458</u>	<u>15,120</u>	<u>5,881,446</u>
Depreciation						
At 1 April 2020	1,522,313	42,598	45,290	1,300,640	9,943	2,920,784
Charge for the year	73,904	10,649	9,664	53,754	2,589	150,560
On disposals	-	-	-	(180)	-	(180)
At 31 March 2021	<u>1,596,217</u>	<u>53,247</u>	<u>54,954</u>	<u>1,354,214</u>	<u>12,532</u>	<u>3,071,164</u>
Net book value						
At 31 March 2021	<u>2,225,308</u>	<u>479,222</u>	<u>14,920</u>	<u>88,244</u>	<u>2,588</u>	<u>2,810,282</u>
At 31 March 2020	<u>2,299,212</u>	<u>489,871</u>	<u>24,584</u>	<u>102,439</u>	<u>3,967</u>	<u>2,920,073</u>

Within the above assets are £30,618 (2020: £42,656) of fixtures, fittings and equipment and motor vehicles which are held for fundraising in the trading subsidiary as opposed to direct charitable activities.

The value included in freehold property for land that is not depreciated is £226,300 (2020: £226,300).

Barclays Bank plc have a charge over the property known as Old Transport Building Royal British Legion, Aylesford, Kent ME20 7NL.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

15. Tangible fixed assets (continued)

Company

	Hospice Building £	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 April 2020	3,821,525	532,469	9,500	1,025,697	5,389,191
Additions	-	-	-	33,559	33,559
Disposals	-	-	-	(180)	(180)
At 31 March 2021	<u>3,821,525</u>	<u>532,469</u>	<u>9,500</u>	<u>1,059,076</u>	<u>5,422,570</u>
Depreciation					
At 1 April 2020	1,522,313	42,598	2,375	944,488	2,511,774
Charge for the year	73,904	10,649	2,375	44,384	131,312
On disposals	-	-	-	(180)	(180)
At 31 March 2021	<u>1,596,217</u>	<u>53,247</u>	<u>4,750</u>	<u>988,692</u>	<u>2,642,906</u>
Net book value					
At 31 March 2021	<u>2,225,308</u>	<u>479,222</u>	<u>4,750</u>	<u>70,384</u>	<u>2,779,664</u>
At 31 March 2020	<u>2,299,212</u>	<u>489,871</u>	<u>7,125</u>	<u>81,209</u>	<u>2,877,417</u>

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16. Fixed asset investments

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2020	3
At 31 March 2021	<u>3</u>
Net book value	
At 31 March 2021	3
At 31 March 2020	<u>3</u>

17. Stocks

	Group 2021 £	<i>Group 2020 £</i>
Finished goods and goods for resale	<u>116,040</u>	<u>109,286</u>

18. Debtors

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Due within one year				
Trade debtors	80,328	36,956	62,424	10,296
Amounts owed by group undertakings	-	-	238,768	258,775
Other debtors	18,973	55,989	15,733	32,445
Prepayments and accrued income	556,184	545,784	503,426	238,129
	<u>655,485</u>	<u>638,729</u>	<u>820,351</u>	<u>539,645</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

19. Creditors: Amounts falling due within one year

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Bank overdrafts	6,920	11,322	-	-
Trade creditors	156,575	170,837	107,154	103,703
Other creditors	79,610	74,694	79,244	74,291
Accruals and deferred income	741,985	160,704	605,530	32,041
	985,090	417,557	791,928	210,035

Deferred income at the year end totalled £555,460 (2020 - £54,144). £555,460 was deferred in the current year and £54,144 was released. Deferred income relates to funding for future periods and lottery subscriptions paid in advance.

20. Deferred taxation

Group and Company

	2021 £	<i>2020 £</i>
At the beginning of the year	3,554	912
(Credit)/Charge for the year	(2,385)	2,642
	1,169	3,554

The deferred tax liability is made up as follows:

	Group 2021 £	<i>Group 2020 £</i>
Accelerated capital allowances	(1,169)	(3,554)
	(1,169)	(3,554)

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21. Prior year adjustments

In the prior year income totalling £255,000 has been reclassified from turnover to other income in a subsidiary. This is a presentational adjustment and has no financial impact.

A transfer between the Trading subsidiary fund and the General fund of £1,097,746 was omitted in the prior year. This transfer has now been recognised at the prior year balance sheet date, which has had no effect on the overall unrestricted funds of the charitable company.

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NOTES TO THE FINANCIAL STATEMENTS
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22. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 (restated) £	Income £	Expenditure £	Taxation £	Transfers in/out £	Balance at 31 March 2021 £
Unrestricted funds						
Designated funds						
Fixed asset fund	2,376,915	-	-	-	(81,223)	2,295,692
General funds						
General fund	1,636,433	3,305,128	(2,685,751)	-	414,215	2,670,025
Trading subsidiary fund	246,237	1,398,994	(1,101,299)	2,385	(304,742)	241,575
	1,882,670	4,704,122	(3,787,050)	2,385	109,473	2,911,600
Total Unrestricted funds	4,259,585	4,704,122	(3,787,050)	2,385	28,250	5,207,292
Restricted funds						
Restricted Funds - all funds	166,173	1,279,062	(1,177,471)	-	(28,250)	239,514
Total of funds	4,425,758	5,983,184	(4,964,521)	2,385	-	5,446,806

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22. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Taxation £</i>	<i>As restated Transfers in/out £</i>	<i>Balance at 31 March 2020 £</i>
Unrestricted funds						
Designated funds						
Fixed asset fund	2,412,245	-	-	-	(35,330)	2,376,915
General funds						
General fund	1,262,499	2,755,986	(3,552,034)	-	1,169,982	1,636,433
Trading subsidiary fund	264,007	2,352,695	(1,270,077)	(2,642)	(1,097,746)	246,237
	<u>1,526,506</u>	<u>5,108,681</u>	<u>(4,822,111)</u>	<u>(2,642)</u>	<u>72,236</u>	<u>1,882,670</u>
Total Unrestricted funds	<u>3,938,751</u>	<u>-</u>	<u>(4,822,111)</u>	<u>(2,642)</u>	<u>36,906</u>	<u>4,259,585</u>
Restricted funds						
Restricted Funds - all funds	31,488	322,477	(150,886)	-	(36,906)	166,173
Total of funds	<u><u>3,970,239</u></u>	<u><u>322,477</u></u>	<u><u>(4,972,997)</u></u>	<u><u>(2,642)</u></u>	<u><u>-</u></u>	<u><u>4,425,758</u></u>

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 which were acquired with restricted funds. The transfers between the unrestricted general fund, restricted fund and the fixed asset fund represents the net movement in the net book value of fixed assets in the year.

Restricted funds - These represent donations, legacies and trusts received for specific projects and causes.

Transfers in the year are in respect of depreciation

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23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	2,810,282	-	2,810,282
Current assets	3,383,269	239,514	3,622,783
Creditors due within one year	(985,090)	-	(985,090)
Provisions for liabilities and charges	(1,169)	-	(1,169)
Total	5,207,292	239,514	5,446,806

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	2,920,073	-	2,920,073
Current assets	1,760,623	166,173	1,926,796
Creditors due within one year	(417,557)	-	(417,557)
Provisions for liabilities and charges	(3,554)	-	(3,554)
Total	4,259,585	166,173	4,425,758

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

24. Pension commitments

The charity operates three (2020 - three) defined contribution pension schemes available to the majority of its permanent employees. The scheme funds are administered by Trustees and are independent of the charity's finances. During the year, £84,134 (2020 - £81,458) of the employers contributions were made. Contributions totalling £7,219 (2020 - £11,663) were payable to the funds at the balance sheet date are included in creditors.

The charity also makes contributions to the National Health Service Scheme for certain employees, which is a defined benefit scheme. However the scheme is a multiple employer scheme and the charity is unable to identify its share of the underlying assets and liabilities.

The last report by the Government Actuary covered the period up until 31 March 2016, as published 15 February 2019. More information is available at:

- www.gov.uk/government; and
- <https://www.nhsbsa.nhs.uk/Pensions/Valuation.aspx>.

The Report recommends a standard contribution of 20.6% to be made by the employer and the employee contributions to be made on a tiered scale from 5% to 10% of their pensionable pay depending on their total earnings. The actual rate charged to the employer for the current year was 14% due to the actual rate excluding the cost of pension increases in line the Retail Prices Index, the cost being met by the Exchequer, and the notional surplus.

The Hospice's contributions to the National Health Service Scheme represent a minor proportion of the payments into the scheme. The charge included within the Consolidated Statement of Financial Activities includes contributions payable to this scheme of £94,608 (2020 - £105,403).

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25. Operating lease commitments

At 31 March 2021 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £	<i>Group 2020 £</i>
Not later than 1 year	256,172	<i>261,045</i>
Later than 1 year and not later than 5 years	492,712	<i>627,192</i>
Later than 5 years	18,042	<i>303,539</i>
	<u>766,926</u>	<i><u>1,191,776</u></i>

The following lease payments have been recognised as an expense in the Statement of financial activities:

	Group 2021 £	<i>Group 2020 £</i>
Operating lease rentals	<u>251,667</u>	<i><u>280,809</u></i>

26. Related party transactions

During the year, the Charity received £304,742 (2020 - £1,064,745) from other group companies in respect of donations and £33,000 (2020 - £33,000) in respect of management charges. At the balance sheet date, the Charity was owed £238,768 (2020 - £258,775).

27. Post balance sheet events

After the balance sheet date, the Charity acquired freehold land with a value of £15,000.

After the balance sheet date, a subsidiary closed one of its retail shops. An estimate of the financial effect of this cannot be made.

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28. Controlling party

There is no ultimate controlling party.

29. Principal subsidiaries

The following were subsidiary undertakings of the Company:

Names	Company number	Registered office or principal place of business	Class of shares	Holding
Heart of Kent Hospice Promotions Limited	03233475	Preston Hall, Aylesford, Maidstone, Kent, ME20 7PU	Ordinary	100%
Heart of Kent Hospice Trading Limited	02547686	Preston Hall, Aylesford, Maidstone, Kent, ME20 7PU	Ordinary	100%

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Heart of Kent Hospice Promotions Limited	337,191	(126,157)	211,034	3,106
Heart of Kent Hospice Trading Limited	1,064,188	(975,142)	89,046	238,472

Both subsidiaries have the same registered office, being the same as Heart of Kent Hospice found on the reference and administrative details page of these financial statements.