

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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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

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

Solicitors

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

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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 (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, 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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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

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.

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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: 22/4/2023

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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.

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**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 As restated</i>
	<i>Note</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</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		5,969,163	151,613	6,120,776	6,456,089
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		5,922,305	135,310	6,057,615	5,493,259
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		6,373,045	51,591	6,424,636	5,457,127
Total funds carried forward		6,457,600	27,133	6,484,733	6,424,636

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

THE HEART OF KENT HOSPICE

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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	(658,031)	(686,140)	(445,802)	(530,685)
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

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

		2023	2022
		£	As restated £
Cash flows from operating activities:	Note		
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			
	Cash at bank	Overdrafts	Liquid investments
At the beginning of the year	3,160,435	(6,028)	307,697
Cash flows	(65,590)	(4,152)	-
Gains / (losses)	-	-	(7,251)
At the end of the year	<u>3,094,845</u>	<u>(10,180)</u>	<u>300,446</u>

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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 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>

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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.

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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.

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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

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
	4,226,949	3,726,503

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

	2023 No.	2022 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	-
	151	139

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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 No.	2022 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 band £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	Hospice building £	Freehold property £	Motor vehicles £	Fixtures, fittings & equipment £	Total £
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	3,848,040	532,469	69,874	848,166	5,298,549
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	1,744,487	74,546	69,874	648,238	2,537,145
Net book value					
At 31 March 2023	2,103,553	457,923	-	199,928	2,761,404
At 31 March 2022	2,151,404	468,573	5,257	120,451	2,745,685

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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

THE HEART OF KENT HOSPICE

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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/>
At 31 March 2022	-
	<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/>

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/>

THE HEART OF KENT HOSPICE

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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
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>

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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
	239,514	832,281	(989,354)	(30,850)	51,591
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
	5,217,613	5,623,809	(4,506,924)	38,547	6,373,045
Total funds	5,457,127	6,456,090	(5,496,278)	7,697	6,424,636

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.

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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:

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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).

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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).

