

Report and Financial Statements

Year ended 31 March 2020



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"Making the difference when
it matters the most."

Liz Searle,
Chief Executive Officer

About Keech Hospice Care

Keech Hospice Care is the adult hospice for Luton and south Bedfordshire, and the children’s hospice for Bedfordshire, Hertfordshire and Milton Keynes.

As a charity, we provide free specialist care for adults and children with life-limiting and complex terminal conditions as well as vital support for their family and friends. We are one of a small number of hospice charities in the UK which supports and cares for both adults and children.

Since the hospice first opened, initially providing support for adult patients and their families and later expanding to include support for child patients and their families, we have supported thousands of patients with life-limiting or terminal illness. There are no second chances to get it right so, at Keech Hospice Care, we make sure we do everything we can.

Patients and their families are given the support and care they need from the day they are diagnosed and, when the time does come, we support them to achieve a peaceful death. Our care is not just provided at the hospice itself but in hospitals, schools, care homes or family homes – wherever support is needed the most.

What is more, our care does not stop at death. As leaders in our field, our excellent standard of care extends to support a patient’s family, partners, friends, neighbours and colleagues for as long as they need us afterwards, when we offer emotional, spiritual and practical support. For these families, when it seems as though nothing will be the same again, Keech Hospice Care is there to help.

Where we provide care



Hertfordshire

We care for children with a life-limiting condition across Hertfordshire.

Bedfordshire

We care for children from Bedfordshire and adults from Luton and south Bedfordshire.

Milton Keynes

We care for children with a life-limiting condition across Milton Keynes.

Trustees, officers and professional advisors

Served in the year and up to 10 September 2020

Trustees

Clive Medlam (Chair)
Patricia Norman (Vice Chair)
Frank Dalton (Treasurer)
Michael Hubbocks
Maria Collins
Bronwen Philpott
Karen Proctor
Sukhdeep Saini (resigned on 30 April 2020)
Peter Cannon
Miriam Heyes
Jeffrey Lustig (appointed 26 March 2020)
Michael McMahon (appointed 26 March 2020)

Audit and Risk Committee

Trevor Nash (Chair and Independent Member)
Gill Holt (Vice Chair and Independent Member)
Maria Collins
Karen Proctor
Bronwen Philpott
Patricia Norman

Trading companies

Pasque Charity (Trading) Limited	Trevor Nash (Chair)
Keech Hospice Care (Trading) Limited	Trevor Nash (Chair)

Executive directors

Chief Executive	Liz Searle
Finance Director	Rob Davies
Clinical Director	Elaine Tolliday
Income Director	Alison Shotter
People Director	Ali Lowe

The executive directors are not directors within the meaning of the Companies Act.

Registered Office

Great Bramingham Lane
Streatley
Luton
LU3 3NT

Auditor

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Bankers

NatWest Bank plc
4 High Street North
Dunstable
Bedfordshire
LU6 1JU

Solicitors

Pictons LLP
Studio K/2
274 Witan Gate West
Witan Studios
Milton Keynes
Buckinghamshire
MK9 1EJ

Pinney Talfourd LLP
78 Ongar Rd
Brentwood
CM15 9BB

SA Law
Gladstone Place
36-38 Upper Marlborough Road
St Albans
Hertfordshire
AL1 3UU

Annual Report of the trustees

The trustees present their report and the audited financial statements for the year ended 31 March 2020. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS102.

Directors' Report

The trustees present their report for the year ended 31 March 2020, which should be read in conjunction with the Strategic Report.

Reference and administrative details

The registered name of the charity, the charity number and the company number are shown on the front cover of this report.

The registered office, current trustees, executive directors and advisers are shown in the *Trustees, officers and professional advisors* section of this report on pages 3 and 4.

Objectives and activities

Objectives

The charity's principal objective is to provide palliative, supportive and end-of-life care, and to support those with specific needs, within Luton and south Bedfordshire for adults and their families, within Bedfordshire, Hertfordshire and Milton Keynes for children and their families.

The founders used a Trust Deed, settled on 3 June 1987, to set up the charity as the Luton and South Bedfordshire Hospice. The trustees changed the charity's name to Pasque Charity in June 2002 and then to Keech Hospice Care on 23 September 2009. The Memorandum and Articles of Association, as amended in 2003 and 2010, state the objects of the charity are to promote the relief of sickness in such ways as the charity shall from time to time think fit and in particular:

- By establishing, maintaining and conducting hospices, day centres, residential homes and home/community support services in the counties of Bedfordshire, Hertfordshire and Buckinghamshire (including Milton Keynes) and elsewhere as required for the reception and care of people who are suffering from cancer or any chronic or terminal illness or from any disability or disease whether attributable to old age or otherwise or from any other physical infirmity, disability or disease and by providing medical or other treatment and attention for such persons in their own home;
- By conducting or promoting or encouraging research into the care and treatment of persons suffering from any such illness, disability or infirmity as aforesaid and particularly into the care and treatment of persons suffering from cancer or terminal illness and to disseminate the results to the public;
- By promoting or encouraging or assisting in the teaching or training of doctors, nurses, physiotherapists and other persons engaged in any branch of medicine, surgery, nursing or allied services;
- By providing or assisting or encouraging the provision of spiritual help and guidance for any persons resident (either as patients or otherwise) or working in any such hospices, day centres or homes;

- By establishing and conducting clinics, out-patient departments, surgeries, dispensaries and convalescent homes;
- By providing or arranging such medical or other attention as the charity may think fit for patients in any such hospice, day centre, home, clinic or out-patient department as aforesaid or for patients in their own homes; and
- By providing such medical supplies, equipment and apparatus, drugs, amenities, comforts and other things conducive to the material or spiritual welfare of any persons resident in or attending any such hospice, day centre, home, clinic or out-patient department or any persons being treated or attended in their own homes as the charity may think fit.

Principal activities

The charity fulfils its purpose through its principal activity of providing adult and children's palliative and supportive care as follows:

- Adult in-patient palliative medical and nursing care for residents of Luton and south Bedfordshire in an eight-bed unit;
- Adult out-patient palliative and supportive care for residents of Luton and south Bedfordshire in the Keech Palliative Care Centre;
- Support for adults in Luton within the last two years of life through the My Care Co-ordination Team, providing a 24-hour advice and support line for patients, families, carers and professionals; co-ordinating support from other care professionals and agencies and providing personal care, practical help and emotional support to both patients and families in their own homes;
- Children's in-patient and palliative and supportive day care for residents of Hertfordshire, Bedfordshire and Milton Keynes (or from any other area if the family wishes to use the children's service) in a five-bed unit and day care facility;
- Children's day support for residents of Hertfordshire, Bedfordshire and Milton Keynes;
- Support for children through the community nursing team which provides palliative care in the home, school, hospital and other community settings for residents of Hertfordshire, Bedfordshire and Milton Keynes.

We are the only children's hospice funded by the Clinical Commissioning Groups (CCGs) in Hertfordshire and Bedfordshire.

Supportive care signifies services provided by social workers, therapists (talking, occupational, physiotherapy, spiritual, music, art and complementary) and bereavement care workers. This ensures the charity's care takes a holistic approach that not only considers the patient's condition, life and circumstances, but also supports and cares for the patient's family and other significant people in their life. The charity provides its services free to patients, carers and families to ensure accessibility.

The management and administration team provides the necessary governance, oversight and operational management as well as finance, human resources (HR), administrative support and communications and marketing. The housekeeping team and catering, maintenance and IT services provide essential support services for the principal activities.

The fundraising and retail teams - and, of course, the incredibly generous members of the public, corporations and trusts - generate the vital income needed by the charity to supplement the low level of statutory funding (from the NHS, local authorities and the Department of Health). It cost £6.3m to provide our services in 2019/20, with around 35% coming from statutory funding.

Public benefit

The trustees have considered the purpose, aims and objectives of the charity and its current and planned activities, against the Charity Commission's general guidance on public benefit. The trustees are satisfied the charity's purpose, aims, objectives and activities are fully consistent with charitable purposes as defined in the Charities Act 2011, including the advancement of health or the saving of lives and the relief of those in need, by reason of youth, age, ill health, disability, financial hardship or other disadvantages.

The charity produces quarterly corporate and performance dashboards and a quarterly quality report, reviewed by the senior leadership team and trustees, which provides a detailed focus on effectiveness, particularly on the number of patients using each service, patient demographics, incidents, complaints, patient experience surveys, results of internal audits, palliative outcome scores and a substantial number of other measures.

We regularly assess the performance and impact of the Charity and a quarterly quality report focusing on effectiveness, efficiency, patient numbers, incidents, complaints, user experience alongside various other measures is produced and reviewed by senior management and the Trustees.

Structure, governance and management

The consolidated financial statements that follow later in this report comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, and the Consolidated Statement of Cash Flows and related notes, which include the results of the related company - Pasque Charity (Trading) Limited and the wholly owned trading subsidiary of Keech Hospice Care, Keech Hospice Care (Trading) Limited. The objective of these companies (Pasque Charity (Trading) Ltd is now effectively dormant) is for making best use of and maximising the returns from the resources of the charity.

Day-to-day management

The trustees delegate day-to-day management responsibility to the chief executive, who in turn delegates some leadership functions to the senior leadership team (SLT). The Schedule of Delegation is set out in the Governance Manual.

The Audit and Risk Committee, comprising trustees and two independent members (one of whom is the Chair), monitors all risks faced by the charity and meets every two to three months. It has a direct reporting line into the trustee board meetings and forms an important role in the overall assurance framework.

Investment policy and returns

The trustees have decided to maintain a low-risk investment strategy. The main purpose of the charity is to provide hospice care and, because of the uncertainty of fundraising income streams, it is necessary to ensure that funds are always readily available for use to ensure that levels of care are not adversely affected in the event of any short-term income reduction. This is also the reason that trustees choose not to risk funds in higher risk but potentially higher return investments.

Trustees

In accordance with s418 of the Companies Act 2006, as the charity's directors, the trustees certify that:

- so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware; and

- as the directors of the charity, they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with s418 of the Companies Act 2006.

There is no specified number of trustees but our aim is to maintain a diverse range of skills and experience to provide the broadest possible level of support to the chief executive and senior leadership team. When vacancies arise or are anticipated, we consider the skills mix and diversity of the continuing trustees and determine the person specifications to be sought in trustee recruitment. A skills audit has been completed and this feeds into an open, competitive recruitment process. At the time of writing this report, the Board of Trustees is seeking to further enhance the Board with more clinical experience.

Every trustee must sign a Trustee Commitment and Disclosure Form to act as a trustee of the charity before he or she is eligible to become a trustee, and again annually. On appointment or election as a trustee, a trustee becomes a member of Keech Hospice Care. Trustees hold membership of Keech Hospice Care only during their trusteeship and retirement, resignation or removal as a trustee is deemed to end their membership of the charity.

It is the charity's policy and practice to provide trustees with appropriate training to undertake their role and to ensure that new trustees receive appropriate induction to the charity and to the role of a charity trustee and company director. In particular, new trustees attend a corporate induction day and we are looking at a potential scheme to provide them with a mentor trustee who would give them specific support over the first 12 months of their trusteeship.

Trustees are elected for a three-year term and it is intended that they should ordinarily serve for up to two three-year terms, with the possibility of a further term.

Responsibilities of the trustees

The trustees (who are also directors of Keech Hospice Care for the purposes of company law) are responsible for preparing the Trustees' Report, including the Strategic Report, and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 company will continue in operation.

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

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

Going concern

With around 35% of the costs of providing care services being funded from statutory sources (a similar position facing every hospice in the UK), leaving around £5m to be raised annually by fundraising and (net) retail contribution, the trustees are very mindful of the need to consider the principle of going concern. This duty is exercised through robust challenge of the chief executive and senior leadership team in scrutinising and approving the annual budget, and regular monitoring of the budget and forecast out-turn throughout the year.

Clearly the effects of Covid-19 will be felt for some time and will have a major impact on the viability of many organisations both in 2020/21 and beyond. The immediate financial effects of the Covid-19 pandemic were for our retail shops to close and for fundraising events to be cancelled or postponed. To mitigate the impact a full review of our 2020/21 budget was undertaken and a series of cost reductions were put in place. We also received strong support from our supporters, trusts, and partners.

We also accessed government support through either the Coronavirus Job Retention Scheme or other specific sector support. We also accessed the Retail, Hospitality and Leisure Grants for our 34 retail shops in 2019/20 and these grants will be utilised in 2020/21 to support the charity.

We are now operating to a revised budget with monthly cash-flow monitoring and whilst there is still a great deal of uncertainty in many of our income streams, we are confident in the ability of the charity to continue as a going concern. We are already planning our 2021/22 budget and have modelled a number of different scenarios. This process has commenced considerably earlier than normal in our business cycle and will allow us to adapt as the position changes. As part of our forward planning we have engaged an external consultant to review our financial modelling and this may be extended to assist with wider business planning as we move through the Covid-19 recovery phase.

A Coronavirus Business Interruption Loan will be applied for but commitment of this loan will only be made with rigorous budget and cashflow monitoring that demonstrates the ability to repay the loan and operate as a going concern.

A five-year financial forward plan is prepared annually and reviewed by the trustees to provide further assurance that the charity will continue as a going concern. Furthermore, the culture of the organisation is such that the trustees have confidence that, if any budgetary problem were to arise, it would be flagged up promptly so that measures to address it could be identified and evaluated swiftly. A series of contingency plans are also being reviewed should significant savings be required at short notice

There are no material uncertainties regarding the charity's ability to continue in operation. The trustees have reviewed financial forecasts and are confident that the charity will continue as a going concern for the foreseeable future. The trustees also recognise that an adequate level of reserves supports and maintains the charity as a going concern by allowing the chief executive and senior leadership team a period to implement change or contingency plans to address any budgetary problems.

Auditors

Haysmacintyre was appointed as the charitable company's auditor during the year and has expressed its willingness to continue as auditors for the next financial year.

The Trustees' Report was approved by the trustees on 10 September 2020, and is signed as authorised on its behalf by:

Clive Medlam
Chair of Trustees and Director
Keech Hospice Care

Strategic Report

The trustees present their strategic report for the year ended 31 March 2020, which should be read in conjunction with the Directors' Report, which contains further strategic information.

The charity's vision, mission, values and philosophy of care

The trustees, staff and volunteers of the charity conducted a strategic review during 2017. The review included revisiting and reaffirming the charity's vision, mission, values and philosophy of care.



Vision

Making the difference when it matters the most.

Mission

To lead the way in providing excellent care, supporting children and adults with life-limiting conditions and those affected by death and dying, helping them to live well and make every day count.

Values

The charity embarked on a consultation process with staff and volunteers to refresh our values. We now have four new values supported by behaviours.

Philosophy of care

Keech Hospice Care's philosophy of care is that of enablement; accepting without judgement the patient, carer and family's circumstances and nurturing them at appropriate stages in the patient's journey. The staff place high importance on close and effective liaison with others and welcome partnership working.

Strategic themes and enablers

During 2017 we developed a new five-year strategy 2018-2023, to take the organisation into the future. Through developing our new strategy, we have identified five strategic themes and four strategic enablers.

Underpinning our determination to create the greatest possible impact through our work, our five **strategic themes** are as follows:

1. To deliver excellent care and support.
2. To educate, innovate and research
3. To be well funded
4. To attract, retain and engage our people valuing difference
5. To be well governed and well led

Our four **strategic enablers** are as follows:

1. To communicate effectively
2. To maximise the use of data and digital technology
3. To utilise our resources well, maximising impact
4. To listen, learn and act

Achievements and performance

The charity received a Care Quality Commission inspection in June 2016. We are pleased to report that our rating for Care was outstanding, with Safe, Effective, Responsive and Well-led all rated as good overall. This rating remains in place.

We improved our ranking from 71st to 18th position in *The Sunday Times* Top 100 Best Not-for-Profit Organisations in early 2019 and were also ranked in the Top 20 for the Eastern region for all sectors.

The charity remains committed to working collaboratively with its partners in providing palliative, supportive and end-of-life care for adults and children. This ensures the charity's services complement and improve other provision, and allows an integrated response to the opportunities and challenges presented by the government's national Strategy for End of Life and Palliative Care as well as its more recent conversations on palliative care. We also work closely with, and align ourselves to, the national charities Hospice UK and Together for Short Lives.

This past year is reviewed against the charity's five main strategic aims for 2018/2019 and these were as follows:

(i) Deliver excellent care

We continued to provide excellent care through our in-patient, community, day therapy and out-reach services. Total beneficiaries for 2019/20 were 2,282 people, incorporating patients, relatives and carers.

Adult services

A total of 1,427 adult patients were cared for in 2019/20, a total that incorporates those who access the in-patient unit, out-patient facilities, therapies and social work team, My Care Coordination Team and the hydrotherapy pool. Many patients use multiple services which ensures a patient-centred, bespoke plan of care is in place for them.

The **My Care Co-ordination Team** supported 1,190 patients in the year. The team operates a 24/7 support line and offers 8am to 5pm (seven days a week) co-ordination of packages of care for people living in Luton with a progressive, life-limiting illness. The team work with acute community, social care professionals and other voluntary organisations to support the patient to remain in their preferred place of care, wherever this should be.

The **Wellbeing Centre (WBC)** is the out-patient facility for adult patients which offers programmes of care that support patients to achieve their goals and maximise function and independence.

The **adult in-patient unit** cared for 161 patients from Luton and south Bedfordshire, providing them with 1,684 bed nights.

The rehabilitation service now offers a range of one-to-one assessments and programmes of care, alongside a menu of group activities. In 2019/20, they supported 206 patients.

Children's services

The children's **community team** provided 336 children and their families with 1,466 community visits. Twenty-eight children received their end-of-life care at home.

The children's **day therapy** service supported 166 children with programmes of care that included sensory play, symptom assessment and management, interaction and stimulation.

The children's **in-patient unit** cared for 65 children and their families by providing 694 bed nights. Admissions were for short breaks, symptom control, end-of-life care, perinatal care, hospital transition and use of the bereavement suite.

Supportive care services

This includes complementary therapies, music therapy, art therapy, family support workers, a befriending Hospice at Home team, bereavement services and spiritual care. The team supports patients, their families and carers, providing emotional support.

Our hydrotherapy pool team offer patients, families and carers the opportunity to use the facilities for relaxation, symptom control, rehabilitation and memory making. In addition, an aquatic physiotherapist offers programmes of care for adult patients.

Our social work team consists of two specialist palliative care social workers and two assistants. As a team, they cared for 286 people, providing psycho/social support.

A carers' coordinator provides adult carers of end-of-life adult patients with the opportunity for individual assessment of their needs, and support arranged to enable them to continue caring for their loved one.

The charity delivered its adult services contracts in Luton and south Bedfordshire and its children's services contracts in Luton, Bedfordshire, Hertfordshire and Milton Keynes, to the satisfaction of all of our commissioners, who have renewed their contracts for 2019/20 and continue to work in collaboration with the charity.

Keech Hospice Care has continued to host a service run by the national charity **Sense**, which provides skills and independence training for teenagers and young adults with multi-sensory impairment. The Sense at Keech service has proved successful with both organisations sharing much learning and expertise.

(ii) Educate, innovate and research

Keech Hospice Care is committed to providing education and training to its workforce as well as providing education to health, social and voluntary professionals externally. Our Clinical Education team deliver a wide range of bespoke sessions on subjects such as essential communication, recognising dying, spirituality in palliative care and symptom control. For internal staff, a range of lunch and learn, leadership development programmes and mandatory training programmes support the teams to be highly skilled in all they do. Our in-house Leadership Development Programme has recently been awarded ILM (Institute of Leadership and Management) recognition.

We are proud to have developed our partnership with the University of Bedfordshire, jointly funding a PhD research student who is undertaking research into the experiences of families and staff in caring for children with palliative diagnoses. We will be able to use findings from the research to improve and tailor our services for this group of patients and have engaged an external consultant to help us with this process.

In addition, we offer mandatory training opportunities in-house for both staff and volunteers, coupled with additional training requirements in line with annual appraisals. Our practice development lead offers support to staff in our adult services to develop and maintain their clinical skills and competence with a focus on practice development innovations in care.

We work with local partners to develop programmes of palliative education in response to identified need and deliver palliative education to external organisations on request.

We have a comprehensive in-house competency programme and short training sessions for our care teams. We also provide clinical supervision, Schwartz rounds (a forum for staff to discuss emotional and social aspects of working in health care), meditation groups for staff and mindfulness courses.

Our in-house library provides a comprehensive range of resources for hospice staff and other health care professionals working in palliative care.

We have developed our STAR (Smart Thinkers Achieve Results) group. They advise and participate in innovative projects across the organisation using LEAN and Six Sigma methodologies.

We have developed our STAR (Smart Thinkers Achieve Results) group. They advise and participate in innovative projects across the organisation using LEAN and Six Sigma methodologies.

(iii) Be well funded

We are a local charity with both local and national impact, a leading hospice and one of a small number in the UK caring for adults, children and their families. The Financial Report that follows shows how we have secured funding for the charity and used it to further the achievement of our objectives.

Total income increased in 2019/20 to £10,973k (2018/19: £10,150k), mainly due to lower legacy income, offset, in part, by increased income from our retail shops.

Income from charitable activities, including statutory income, increased to £2,733k (2018/19: £2,537k).

Total fundraised income from donations and legacies was broadly level with the previous year £2,377k (2018/19: £2,383k). We continued to rely on the kind generosity of our supporters and local community throughout the year for the majority of our income. Income from legacies was below the level received in the previous year at £498k in 2019/20 (£664k in 2018/19).

Fundraising activity in 2019/20 included increasing our lottery support and working together with local individuals, groups and companies organising activity in aid of Keech Hospice Care. We promoted the wide range of ways individuals, trusts and foundations can donate to the charity. We met with supporters from across Bedfordshire, Hertfordshire and Milton Keynes through tours of our hospice and our fundraising events. We promoted our new virtual tour of the hospice, and increased our digital communications activity.

We are extremely grateful for all the support we received in the year from trusts and foundations, community groups, organisations, corporate partners, schools and colleges, families, friends and individual supporters of our charity schools. We continued to work together to develop support in our local community, for our local community.

Through our work as a leading hospice we received local and national support and media coverage, and we developed our education programme, sharing our expert knowledge and increasing our impact.

Retail income before costs decreased slightly to £4,284k (2018/19: £4,401k). The decrease was due primarily to the slow-down of sales and shop closure due to Covid-19 lockdown in March 2020, with some additional challenges in the RAG market. Up to end February 2020 our retail shops demonstrated a strong performance, with massive thanks to our shop volunteers, staff, customers and everyone who donated items for sale in our shops. We continued to implement our programme of planned activity to maintain and maximise our retail estate, opening two new shops, in Newport Pagnell (Milton Keynes, Buckinghamshire) and Leighton Buzzard (Bedfordshire).

We received some funding in March 2020 from the government grant scheme, for retail following lockdown due to Covid-19. This funding was welcomed but the challenges ahead due to Covid-19, and the impact on our retail and fundraising income are likely to be unprecedented.

In 2019/20 we received income from a wide range of sources. Through working together and in partnership with our funders, donors and supporters, vital funds have been received to fund the care during the year, to increase our impact across our community through educating other care professionals, and to develop key facilities for the future.

On behalf of all the children, adults and families we support, a massive thank you to all our funders and donors.

(iv) To attract, retain and engage our people.

The trustees wish to record their thanks to all the staff and volunteers of the charity who are essential to the provision of high-quality care for our patients. Our people are our greatest asset, working together to deliver a service that is appreciated by our patients and their families or generating much-needed income.

During the year, the charity employed an average of 267 members of staff (222 full-time equivalent: 50% of our staff work less than full time) across a range of services and 1,386 volunteers across care, retail, fundraising and support in 114 different roles.

The charity was recently honoured with the highest accolade a voluntary group in the UK can have: The Queen's Award for Voluntary Service. This prestigious and highly sought-after award recognises volunteer groups whose outstanding work benefits their communities.

Engagement surveys are carried out approximately once a year and show a high degree of advocacy among our staff and volunteers, who would continue to recommend Keech as a place to be treated, to work and volunteer. This is supported by our place in *The Sunday Times* Top 100 Best Not-for-Profit Organisations in early 2019 which saw us improve our ranking from 71st to 18th position and place in the Top 20 for the Eastern region for all sectors.

Each year Keech undertakes an employee survey which results, every other year in an engagement score. In 2017 the engagement score was 4.2 which rose to 4.4 in 2019. This score is from 1 to 5 with a score of 5 being the highest. This demonstrates a high degree of engagement from our staff who will have responded incredibly positively to the following net promoter question: 'I would recommend Keech Hospice Care as a place to work'.

Our 'Good to Great' organisational development strategy includes a number of projects that support and develop our staff and volunteers including becoming signatories of Mindful Employer status and embedding our continuous improvement group STAR (Smart Thinking Achieves Results) to generate savings and promote new initiatives.

Attracting and retaining the best people is our top priority which means offering a remuneration and reward package that is competitive and fair, but also sustainable. Our Equality Statement also reflects our intent to be more representative of the communities we serve which is a sentiment that is reflected in our values and underpins behaviours.

We welcome applications for employment from all prospective employees regardless of disabilities and are committed to developing practices that not only meet the requirements of equalities legislation but which actively promote equality of opportunity and maximise the abilities, skills and experience of all employees. If an employee discloses that they have a disability, we will engage in a discussion with them to determine what they need to be successful in their role and seek to make reasonable adjustments to facilitate this.

We have also submitted data on the gender pay gap with our second submission showing that:

- The **mean** gender pay gap for Keech Hospice Care is 4.3%.

The **median** gender pay gap for Keech Hospice Care is 2.8%. The 4.3% mean gender pay gap shows that, on average, men in the organisation are paid a higher salary rate. However, when viewed alongside the median gender pay gap of 2.8%, it is evident that the mean gender pay gap has been affected by extremes at either end of the scale; in other words, a male with a particularly high hourly rate and a female with a particularly low hourly rate.

Pay policy

All matters relating to pay are considered by the Remuneration Committee which makes recommendations to the Board of Trustees.

For care and office staff, Keech Hospice Care operates a pay structure designed to mirror the NHS pay bandings, where funding allows. Doctors are paid in line with NHS speciality doctor scales.

Within retail, assistant managers, managers and drivers have a spot salary scale.

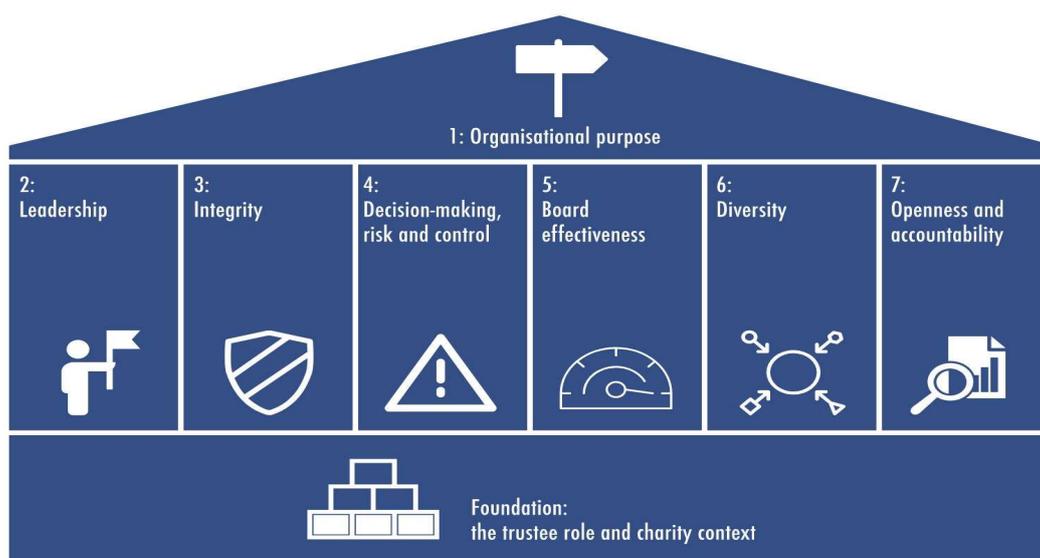
Senior management are not on the grade system. The Board of Trustees recognises that employment of first-class senior managers is vital if the hospice is to maximise the quality, efficiency and income of the charity and allow us to deliver our purpose. Salary levels for incoming senior managers are based on externally benchmarked market rates, with no progression. Existing senior management pay is reviewed by the Remuneration Committee. The pay ratio for the charity is less than 1 to 6, which means the highest paid employee is paid less than six times the lowest paid employee.

All grades may be eligible for an inflationary annual pay award, if this is affordable.

(v) Be well governed and well led

Operating a charity in the current economic climate and with all the changes happening in the health and social care sector presents many challenges and requires strong well-developed leadership and governance. We continue to develop the Trustee Board and hospice management to ensure the charity operates at the highest level of effectiveness and efficiency. The Board has conducted a skills audit and a Board effectiveness audit. All trustees have had appraisals.

We continue to monitor ourselves against the Charity Governance Code:



In 2018/19 the Board conducted a review of governance against the new Charity Governance Code. The results of this exercise were very positive but enabled an action plan to be compiled to ensure we continue to improve. We reviewed our progress in 2019. Like many Boards we continue to prioritise recruiting Trustees from under represented groups.

The charity participation in *The Sunday Times* 100 Best Not-for-Profit Organisations to work for and reached an impressive 18th place. In addition, the organisation achieved 21st place of all companies in the East of England. It is important to note that leadership was rated particularly well by our staff, evidencing a three-star organisation.

Assessing performance

The charity produces quarterly corporate and performance dashboards and a quarterly quality report, reviewed by the senior leadership team and trustees, which provides a detailed focus on effectiveness, particularly on the number of patients using each service, patient demographics, incidents, complaints, patient experience surveys, results of internal audits, palliative outcome scores and a substantial number of other measures. Monthly meetings of our Performance Committee (comprising the senior leadership team and senior managers) are also held to manage and share the responsibility for the effectiveness and efficiency of the charity.

The CEO's performance targets are agreed annually by the Board, monitored regularly by the Chair, and performance reported bi-annually to the Board. The Chair and CEO meet monthly to discuss relevant issues.

Financial review

The detailed figures for the year ended 31 March 2020 are set out in the financial statements that follow this Trustees' Report.

Expenditure

Excluding retail spend, expenditure was £6,974,000 (2019: £7,070,000) of which £5,562,000 (80%) was spent on hospice care services (2018: £5,508,000 / 78%). Overall expenditure was 3% less than that budgeted for the year. The proportion of expenditure on hospice care services has increased slightly, reflecting our commitment to continue to deliver excellent care. Cost of activities for generating funds remained the same as 2018/19.

Income

The charity's principal funding sources are: voluntary income (fundraising activities); retail income (sale of donated goods through shops and warehouse); income from the charity's lottery; statutory income (service level contracts and grants from NHS, local authority and government programmes) and profit from trading subsidiaries which undertake activities including the sale of bought-in goods and fundraising under tripartite agreements.

Group consolidated income for the year totalled £10,973,000 (2018: £10,150,000), an increase of 8.1%. This includes £670,000 of Retail, Hospitality and Leisure Grants. Most areas were very close to the previous year's performance.

Funds and reserve transfers

The Consolidated Statement of Financial Activities on page 26 shows an increase in funds (surplus) of £238,000.

Unrestricted and undesignated funds have increased by £167,000 to £3,012,000 which is below the target set in the Reserves Policy (see below). Whilst the trustees are committed to developing, and maintaining, reserves in the medium and long term to the Reserves Policy position, the effects of Covid-19 means that in the short to medium term the focus is on consolidating and maintaining the level of reserves.

Balance Sheet

Total net assets at 31 March 2020 are £12,005,000 which includes group cash balances of £1,764,000. Further details of the funds analysis can be found in notes 19 and 24 of the consolidated financial statements.

Reserves Policy

The trustees have reviewed the reliability of future income streams, the commitment to future expenditure and risks faced as a charity. The charity has determined that it needs reserves for the following reasons.

- To fund shortfalls in income (whether statutory, retail, lottery, donations, legacies or other fundraising activities) when it does not reach expected levels. The charity is dependent on fundraised income as well as statutory funding. The fundraised income is subject to fluctuation as economic conditions change and statutory funding could be affected by government policy and the financial position of NHS commissioners.
- To fund unexpected expenditure, for example when projects overrun or unplanned events occur. This could also be for unexpected building maintenance costs and to provide a degree of flexibility for innovation.
- To fund working capital. Most spend is salaries and therefore the timing of cash outflows is relatively fixed whereas both fundraised and statutory income fluctuate in terms of cash inflow over the year.

The Reserves Policy agreed by trustees sets a target for unrestricted reserves equating to six months of budgeted total operating costs less the budgeted direct costs of fundraising and trading. This target can be considered both a maximum and a minimum since, while it is prudent to maintain a level of reserves to enable the charity to cope with short-term spending pressures, it is not the charity's aim to simply allow reserves to continue to build up as funds have been provided and donations have been made to be spent on care services.

For the year 2020/21, the policy target equates to £3.596m. This Reserves Policy allows the charity to continue to provide care of the expected quality to meet the needs of patients as well as aiding the development of income streams and reducing costs.

These reserves would not usually be used for major capital developments, which instead would normally be funded through additional capital appeals. Freehold land and buildings are held in a designated reserve called the Building Assets Fund.

By designating these funds, the trustees aim to give a clear presentation of the unrestricted reserves available to the charity to meet its continuing operational commitments.

At the end of March 2019, the unrestricted undesignated reserves increased to £3.012m, representing 5 months of 2019/20 budgeted operating costs less the budgeted direct costs of fundraising and trading.

The charity approved a small deficit in its 2020/21 budget but by exercising control over our capital expenditure, reserves were planned to increase slightly in 2020/21. This would have allowed the charity to continue to explore and develop its sources of income while monitoring and controlling costs so that, in future years, the charity can set budgets that reflect the need to build reserves and continue to meet the charity's strategic aims.

However as detailed above the effects of the Covid-19 pandemic have changed the financial landscape and the Trustees are aware that we may experience a fall in reserves in 2020/21. This will, in part, be the Retail, Hospitality and Leisure Grants recognised during 2019/20 but effectively utilised in 2020/21. We will be monitoring performance closely through 2020/21 and will take whatever steps are necessary to manage our income, costs and, ultimately, our reserves.

The level of reserves will be monitored regularly by the Audit & Risk Committee and the Board, and the policy will be reviewed by the main Board when the annual budget is approved. This will ensure that appropriate steps are in place to bring manage our reserve levels.

Risk management

The trustees of the charity, who are also the directors of Keech Hospice Care, have governance responsibility for the charity and its work. They are advised by the chief executive and the other members of the senior leadership team who also manage the operation of the hospice services.

The trustees are pleased to report that the charity's internal financial controls conform to the guidelines issued by the Charity Commission. These controls help the trustees meet their legal duties to safeguard the charity's assets, administer the charity's finances and assets in a way that identifies and manages risk, and ensure the quality of financial reporting by keeping adequate accounting records and preparing timely and relevant financial information.

The trustees are also aware of the requirement to report more fully on risk management in the annual report and are aware of the guidance for directors of public listed companies contained within the Turnbull Report. As a result, they have adopted a formal risk management policy using the principles of good governance and the policy requirements of the Health and Social Care Act 2008. The trustees have developed a risk register, which identifies risks to the charity in the areas of people, reputation and resilience.

The register describes how each risk is managed, and the processes, procedures and actions that are in place to mitigate the risk. Each risk is given a score reflecting the inherent and residual risk. Significant risks are reviewed at every meeting of the Audit & Risk Committee, chaired by an independent lay member, which reports back to each trustee meeting. This satisfies the trustees that adequate controls and procedures are in place to mitigate these risks. The Audit & Risk Committee also submits a formal annual report to the trustees.

Trustees conduct regular formal 'trustee visits'. Although these are no longer required by the Care Quality Commission, the Board has decided to continue them as they have proven beneficial for the organisation and individual trustees in their role. Internal financial audits are also carried out.

Covid-19 Pandemic

At the end of February the world became aware of the Corona Virus Pandemic. We instigated our Business Continuity Plan, enhanced our Governance arrangements increased the frequency of Board meetings and put in place plans to keep our staff and patients safe. It will be without doubt a most challenging time ahead. We devised a Covid-19 Action and Risk plan and an Urgent Response Committee. By the end of March 2020 we were already in the full force of the pandemic with high numbers of Covid positive patients in our care, challenges with PPE and the pausing of many of our income lines. Whilst this presented a huge challenge all parts of the organisation responded positively and with passion and determination.

Fundraising practice

Keech Hospice Care is committed to maintaining high standards of fundraising and retail activity. We are registered with the Fundraising Regulator and licensed by the Gambling Commission. We are members of the Institute of Fundraising, the Charity Retail Association, Hospice UK and Together For Short Lives. We are committed to Fundraising Codes of Practice and our contracted professional fundraising agency for new lottery players is also required to adhere to the Codes of Practice.

We received two fundraising complaints, all of which were resolved to the satisfaction of the individual. We promote an open culture to encourage reporting of any concerns. We provide our staff with a comprehensive programme of training, guidance and support, and monitor activity carried out on our behalf through weekly reporting, spot-checks and meetings. Our staff training includes safeguarding, and our culture promotes the key principles and behaviours of the Code of Practice (Legal, Open, Honest and Respectful).

Principal risks and uncertainties

The over-riding risk facing the charity is one of reputational damage, which could result from any of the following risks and/or lead to one of these risks arising. Beyond reputational risk, the four main areas of risk are:

- **clinical risk** in the form of a major adverse clinical event
- **financial risk** arising from unplanned and/or unavoidable substantial expenditure or substantial reduction in fundraising and/or retail and/or statutory funding, or as a result of poor budgetary control or fraud
- **information technology risk** due to the system not being fit for purpose and outdated, a breach of data protection law, a failure of back-up procedures or an external cyber-attack on our systems
- **Covid 19 Pandemic** responding to the global challenge of a pandemic; financial, care and staff and volunteers.

Future activities

The trustees and senior leadership team are ambitious for the future of Keech Hospice Care, even post the pandemic. The chief executive of the charity is the representative for the East of England on the Hospice UK Advisory Council, which advises on key issues and priorities relating to hospice philosophy, policy, practice and professional development. We envisage a time when people can receive high-quality palliative and end-of-life care in the place of their choosing with each care setting prioritising those individual's unique needs. This may be in new technologically driven ways. We commit ourselves to a future where our care is dynamic, innovative and responsive. We will research and innovate new care delivery models to meet the needs of people with life-shortening illness, their relatives and family carers.

We want a future where people can live independently and with a good quality of living for as long as possible, and we will help people cope with the reality of dying, death and bereavement and do so with compassion, confidence and expertise. We will educate and support the public wherever possible. Post the Pandemic we estimate the need for our care will be greater, driven by the needs for palliative Rehabilitation, the emotional distress caused by the isolation and loss of loved ones and the increase in late referrals to cancer services which we believe will, sadly, increase the numbers needing our services.

Our children's families have had a huge scare as a result of the Covid-19 pandemic. Confidence in leaving their already sick children in any service is at an all time low. We will build the confidence in our services and deliver them in ways that meet the needs of our families.

We believe we should shape our hospice care with systematic knowledge, be outcome focused and support developments with robust evidence of effectiveness.

Our services must dovetail with the NHS, local authorities, care homes, schools and children's respite facilities, too; and the communities we serve should shape it. The pandemic has given us new opportunities for this joint working.

We must also lead in both delivery and the education on what 'excellent palliative care' is.

Keech Hospice Care has decided to adapt and re-invent our contribution to care in a way that recognises the challenges ahead but never shirks from the ambition to find ways of extending care, using influence and identifying new opportunities to respond to need.

The demand for specialist palliative and end-of-life care will rise. There is a growing vulnerability of those who will need care as well as the increasing complexity of their needs. We live in a diverse community and one where disadvantage is evident. The Pandemic has highlighted this inequality sharply both in the number of incidents and deaths and in the loss of jobs and economic security. Never has a charity like ours been more needed. We continue to remaining a trustworthy organisation for all of our stakeholders who will be the cornerstone on which we build.

We face difficulties with uncertain income following the pandemic, rising costs outside our control, as well as the need for us to work in a new and more competitive commissioning environment. With this in mind we continue to work, and be aware of opportunities to collaborate and share resources and knowledge, with other hospices.

There are key principles we must follow to adapt. These include:

- a responsibility to assess future needs for palliative and end-of-life care on a population basis
- valuing, listening and engaging our staff and volunteers in all we do
- being active and outward looking in developing new partnerships and understandings about what might enable us to succeed
- being both business focused and compassionate - 'hospice heart and a business brain'
- engaging and influencing at regional and national level
- striving to reach more people through our care, our income generation, our communications and our influence on other local health and social care services
- delivering excellence in all we do, modelling a leading charity
- working as good partners, campaigners and educators across local health and care systems to enable us to make a difference on a larger scale
- embracing new technology and a digital future, using our data to achieve insightful decisions
- having a strong reputation, being trustworthy and using our funds carefully to ensure maximum impact and show integrity to our donors
- being true to our values and guided by them always.

We have entered very turbulent times with more economic uncertainty and the challenges of Brexit on top of the Pandemic. We have taken measures to control our costs extremely tightly, maximise our income and look for new opportunities. We are continuing to refine our financial forward plans and tightly monitor our cashflow we have introduced more detailed financial monitoring tools. These, coupled with the creation of contingency plans, will enable the charity to act swiftly, dynamically and flexibly to any financial challenges we encounter. We are not alone; many hospices have experienced extreme challenges.

We need to develop our workforce so it can deliver the differing portfolio of services the future will demand. In addition, we must invest in new ways to raise money and achieve greater efficiency.

We must continue our engagement with the national organisations that exist to support our work.

In summary, we must:

- continue to deliver outstanding care
- prepare for significant change in the context of palliative and end-of-life care with growing numbers of bereaved as well as economic challenges and uncertainty
- strengthen understanding of the contribution of hospice care
- be trustworthy and protect our reputation
- become a beacon of excellence, and contribute to the national and international body of knowledge
- grow our income to enable us to do more for those who need us, remaining sustainable
- show hospice care as a solution to future challenges in palliative and end-of-life care
- strengthen the connection between us and our local health and social care systems, and our local communities
- continue to be well led and well governed.
- continue making the difference when it matters the most.

The Strategic Report was approved by the trustees on 10 September 2020, and is signed as authorised on its behalf by:

Clive Medlam
Chair of Trustees and Director
Keech Hospice Care

Independent Auditor's Report to the members of Keech Hospice Care

Opinion

We have audited the financial statements of **Keech Hospice Care** for the year ended **31 March 2020** which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and 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 2020** and of the group's and parent charitable company's net movement in funds, including the 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 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on pages 8 and 9, 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.

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.

Independent Auditor's Report to the members of Keech Hospice Care

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

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' Annual Report (which includes the strategic report and the directors' report prepared 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 strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Independent Auditor's Report to the members of Keech Hospice Care

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the parent charitable company; 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.

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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Anna Bennett (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Consolidated Statement of Financial Activities
(including Income & Expenditure Account)
for the year ended 31 March 2020

	Notes	2020			2019		
		Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
Income from:							
Donations and legacies	5	1,648	729	2,377	1,885	498	2,383
Charitable activities	8						
Adult hospice		851	52	903	693	71	764
Palliative Care Centre		233	170	403	250	153	403
Children's hospice		496	309	805	336	294	630
Children's community team		203	240	443	144	174	318
Supportive care		5	123	128	1	413	414
Educate and communicate		51	-	51	-	8	8
Total charitable activities		1,839	894	2,733	1,424	1,113	2,537
Other trading income							
Trading income	7	89	11	100	104	-	104
Charitable trading income		174	4	178	157	4	161
Lottery income		496	121	617	441	113	554
Retail income		3,236	1,048	4,284	3,468	933	4,401
		3,995	1,184	5,179	4,170	1,050	5,220
Investment income		10	-	10	10	-	10
Other Operating Income		674	-	674	-	-	-
Total income		8,166	2,807	10,973	7,489	2,661	10,150
Expenditure on:							
Raising funds		572	115	687	618	119	737
Charitable activities							
Adult hospice		1,780	163	1,943	1,789	153	1,942
Palliative Care Centre		581	280	861	725	189	914
Children's hospice		652	1,186	1,838	562	1,168	1,730
Children's community team		459	114	573	617	16	633
Supportive care		609	86	695	628	114	742
Educate and communicate		379	-	379	365	7	372
Total charitable activities		4,460	1,829	6,289	4,686	1,647	6,333
Trading expenditure		3,092	667	3,759	3,032	665	3,697
Total expenditure	9	8,124	2,611	10,735	8,336	2,431	10,767
Net income (expenditure) for the year		42	196	238	(847)	230	(617)
Transfers between funds	23	400	(400)	-	93	(93)	-
Net movement in funds		442	(204)	238	(754)	137	(617)
Reconciliation of funds							
Total funds brought forward	23	10,986	781	11,767	11,740	644	12,384
Total funds carried forward	23	11,428	577	12,005	10,986	781	11,767

The results are derived from continuing activities. All gains and losses recognised in the year are included above. The surplus for the year comprises the net incoming resources for the year plus realised gains on investments and was £238,000 (2019: £617,000 deficit).

The accompanying notes on pages 30-45 form an integral part of this consolidated statement of financial activities.

Balance Sheet
as at 31 March 2020
 Company number: 2904446

	Notes	Group 2020 £'000	Charity 2020 £'000	Group 2019 £'000	Charity 2019 £'000
FIXED ASSETS					
Tangible assets	15	8,417	8,417	8,141	8,141
		8,417	8,417	8,141	8,141
CURRENT ASSETS					
Stocks	16	16	-	13	-
Debtors	17	2,291	2,333	1,562	1,591
Cash at bank and in hand		1,295	1,255	2,142	2,107
Short-term deposits		509	509	504	504
		4,111	4,097	4,221	4,202
CREDITORS: amounts falling due within one year	18	(523)	(509)	(595)	(576)
Net current assets		3,588	3,588	3,626	3,626
Net assets	19	12,005	12,005	11,767	11,767
FUNDS					
Unrestricted funds					
General fund		3,012	3,012	2,845	2,845
Designated funds		8,417	8,417	8,141	8,141
Total unrestricted funds		11,429	11,429	10,986	10,986
Restricted funds		576	576	781	781
TOTAL FUNDS	23	12,005	12,005	11,767	11,767

The parent charity's gross income for the year was £10,921,000 (2019: £10,099,000) and the net result for the year was £203,000 surplus (2019: £656,000 deficit)

The financial statements on pages 27-47 were approved by the trustees on 10 September 2020 and signed on their behalf by:

Clive Medlam
 Chair of Trustees

Consolidated Statement of Cash Flows for the year ended 31 March 2020

	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Reconciliation of net income / (expenditure) to net cash flow from operating activities				
Net income (expenditure) for the year		238		(617)
Investment income		(10)		(10)
Depreciation charges		467		495
(Profit) loss on sale of fixed assets		3		-
Decrease / (increase) in stock		(3)		(1)
(Increase) / decrease in debtors		(729)		(113)
Increase / (decrease) in creditors		(72)		(34)
Net cash provided by (used in) operating activities		(106)		(280)
Returns on investment and servicing of finance				
Bank interest received	10		10	
	10		10	
Capital expenditure				
Payments to acquire tangible fixed assets	(746)		(325)	
	(746)		(325)	
Increase/(decrease) of cash in the year		(842)		(595)
Cash at 1 April		2,646		3,241
Increase/(decrease) of cash in the year		(842)		(595)
Cash at 31 March		1,804		2,646

Notes to the Accounts

1. Accounting policies

Accounting convention

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2015, Second Edition, effective 1 January 2019) 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) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

These financial statements consolidate the financial statements of the charity, its subsidiary Keech Hospice Care (Trading) Limited and its related company undertaking Pasque Charity (Trading) Limited. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

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

Title

The charitable company has an exemption under Paragraph 60 of the Companies Act 2006 from using "Limited" in the title.

Going concern

There are no material uncertainties regarding the charity's ability to continue in operation. The trustees have reviewed financial forecasts and are confident that the charity will continue as a going concern for the foreseeable future. The trustees also recognise that an adequate level of reserves supports and maintains the charity as a going concern by allowing the chief executive and senior leadership team a period to implement change or contingency plans to address any budgetary problems.

Clearly the effects of Covid-19 will be felt for some time and will have a major impact on the viability of many organisations both in 2020/21 and beyond. To mitigate the impact a full review of our 2020/21 budget was undertaken and a series of cost reductions were put in place. We are already planning our 2021/22 budget and have modelled a number of different scenarios which we will adapt as the position changes.

Fund accounting

General funds - General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes. As at 31 March 2020 this fund totalled to £3,012,000.

Designated funds - Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. As at 31 March 2020 this fund totalled to £8,417,000.

Restricted Funds - Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. A fair proportion of overheads are allocated to the specific funds where appropriate. As at 31 March 2020 this fund totalled to £576,000.

Investment income and gains are allocated to the appropriate fund.

Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. In particular, this includes the following.

- **Legacies:** for legacies, entitlement is taken as the earlier of the date on which either probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.
- **Donations:** income is recognised when the funds are received by the charity.
- **Donated goods and services:** donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' Annual Report for more information about their contribution. On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.
- **Retail, Leisure and Hospitality Grants:** these grants were made as part of the governments Covid-19 economic response. The date of eligibility was 13 March 2020 and the amounts could be quantified with reasonable accuracy at 31 March 2020. Therefore, they have been recognised within these accounts and form part of Other Operating Income.

Resources expended

All expenditure is accounted for on an accruals basis and is recognised once there is a legal or constructive obligation to make a payment to a third party and has been classified under headings that aggregate all costs related to the category.

- **Fundraising costs** are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.
- **Trading costs** are those incurred in undertaking trading activities (including retail).
- **Cost of charitable activities** are those which directly relate to activities which further the charitable objectives of the charity.

- **Governance costs** include the cost of the audit of statutory accounts; the cost of trustee meetings; the cost of legal advice to trustees on constitutional or governance matters; and a charge for the salary cost of senior management to cover time spent on compliance with constitutional or statutory requirements. These have been allocated to activity cost categories on the basis of headcount within each activity.
- **Support costs** include central functions and have been allocated to the four activity cost categories detailed above on a basis consistent with the use of resources.

Tangible fixed assets and depreciation

Tangible fixed assets costing more than £1,500 are capitalised and included at cost including any incidental expenses of acquisition. Depreciation is calculated so as to write off the cost of an asset, less estimated residual value, over the useful economic life of that asset as follows:

Freehold property (excluding land):	50 years
Leasehold property improvements:	5 years or the period of the lease
Care equipment:	4 to 10 years
Office equipment:	4 years
Fixtures and fittings:	4 to 10 years
Motor vehicles:	4 years

all on a straight line basis.

The carrying values of tangible fixed assets are reviewed for impairment should events or changes in circumstances indicate the carrying value may not be recoverable.

Stock

Stocks, which consist of purchased goods, are stated at the lower of cost and net realisable value after making an allowance for obsolete and slow-moving items. Cost is calculated on a first in, first out basis. Net realisable value represents the amounts recoverable on eventual sale less any costs incurred in getting the materials from their current location and condition to the point of sale. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

Operating lease agreements

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the SOFA on a straight line basis over the period of the lease.

Contribution to pension funds

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the statement of financial activities.

There are some employees who are members of the National Health Service Pension Scheme which is a multi-employer defined benefit scheme. The charity is unable to identify its share of the underlying assets and liabilities. It is therefore accounted for on a defined contribution basis. The annual contributions are charged to the statement of financial activities.

Taxation

The activities of Keech Hospice Care are exempt from Corporation Tax under Section 505 of the Income and Corporation Taxes Act 1988 to the extent that they are applied to the organisation's charitable objects. The group does not pay corporation tax because the policy of the subsidiary and related trading company is to pay taxable profits under gift aid to the charity.

Estimates and judgements

In applying the accounting policies, the Trustees have made accounting judgements, estimated and assumptions about the carrying amount of the assets and liabilities. These estimates and judgements are based on historical experience and are regularly reviewed. Those that have a material effect on the amounts recognised in the financial statements are discussed below:

Judgements

Impairment testing is carried out for all tangible assets at the year end date where there is an indication that impairment exists. An impairment loss is recognised where the carrying amount exceeds the asset's recoverable amount.

Legacies are recognised when the criteria of entitlement, probability and certainty of the amount can be met.

All debtors are reviewed to determine if a bad debt provision is required.

Estimates

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Gifts in kind are included in the financial statements at their market value at the time of their receipt.

2. Company structure

The charity is a private company limited by guarantee incorporated in England and Wales. The members of the company are the trustees named on page 3. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. At 31 March 2020, the number of such guarantees was 12 (2019: 10).

3. Contingent liabilities

Sales of goods donated under the retail gift aid scheme are recognised as income at the point of sale. Technically, the sale proceeds, less commission, belong to the donor until 21 days elapse after we write to the donor to inform them of the sale. It is rare for a donor to ask for their sales proceeds to be returned but, at the year-end, there was £145,459 (2019: £207,848) of income that was within this 21-day timeframe so could potentially be asked to be returned. The accounts also include the £36,364 (2019: £51,962) of gift aid that is recoverable on these donations. At the date of signing the accounts, this timeframe had elapsed and £Nil (2019: £60.00) of this income had been returned to donors.

4. (a) Donations and legacies (current year)

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
Individual donations and gifts	689	275	964	928
Corporate donations	313	32	345	321
Events	239	38	277	316
Trusts and grants	44	249	293	154
Legacies	363	135	498	664
Other funding	-	-	-	-
Total donations and legacies	1,648	729	2,377	2,383

Included in donations and legacies are £85,131 (2019: £98,758) of gifts in kind, including £60,000 for refurbishing the Children's Family accommodation.

(b) Donations and legacies (prior year)

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
Individual donations and gifts	634	294	928	1,059
Corporate donations	276	45	321	351
Events	288	28	316	334
Trusts and grants	135	19	154	352
Legacies	552	112	664	1,142
Total donations and legacies	1,885	498	2,383	3,238

5. Grants received

	2020 £'000	2019 £'000
Grant contribution funded by NHS England	324	297
	324	297

Retail, Leisure and Hospitality Grants

These grants were made as part of the governments Covid-19 economic response. The date of eligibility was 13 March 2020 and the amounts could be quantified with reasonable accuracy at 31 March 2020. Therefore, they have been recognised within these accounts and form part of Other Operating Income.

6. (a) Activities for generating funds (current year)

Trading operations and related companies

From 1 April 2010, the charity has traded through Keech Hospice Care (Trading) Ltd (company number 06941924), a company limited by shares registered in England and Wales as a wholly owned trading subsidiary of Keech Hospice Care. The company is used for non-primary purpose trading activities, namely the sale of bought-in goods through the charity's shops and fundraising under tripartite agreements.

Pasque Charity (Trading) Limited (company number 02362985) is the old trading company of the charity in full use until March 2009. This company was effectively dormant during the year.

Both Keech Hospice Care (Trading) Ltd and Pasque Charity (Trading) Limited have the same registered office as Keech Hospice Care.

All activities of the trading companies have been consolidated on a line-by-line basis in the consolidated statement of financial activities. A summary of the results of Keech Hospice Care (Trading) Ltd and Pasque Charity (Trading) Limited is shown below. The directors of both companies are Trevor Nash, Michael Hubbocks (Trustee) and the finance director.

	Keech Hospice Care Trading 2020 £'000	Pasque Charity (Trading) 2020 £'000	Total 2020 £'000	Total 2019 £'000
Turnover				
Sale of bought-in goods	87	-	87	87
Conference sales	2	-	2	5
Corporate fundraising agreements	11	-	11	12
	<u>100</u>	<u>-</u>	<u>100</u>	<u>104</u>
Cost of sales and administrative expenses				
Unrestricted	<u>(62)</u>	<u>-</u>	<u>(62)</u>	<u>(66)</u>
Governance	-	-	-	-
Amounts gift aided to Keech Hospice Care	<u>(38)</u>	<u>-</u>	<u>(38)</u>	<u>(39)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
The aggregate of the assets, liabilities and funds was:				
Assets	23	36	59	54
Liabilities	<u>(23)</u>	<u>(36)</u>	<u>(59)</u>	<u>(54)</u>
Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Amounts owed to the parent undertaking are shown in Note 17. Included within cost of sales and administration expenses above is a management charge of £12,655 (2019: £13,759) from the parent charity.

(b) Activities for generating funds (prior year)

	Keech Hospice Care Trading 2019 £'000	Pasque Charity (Trading) 2019 £'000	Total 2019 £'000	Total 2018 £'000
Turnover				
Sale of bought-in goods	87	-	87	90
Conference sales	5	-	5	-
Corporate fundraising agreements	12	-	12	13
	<u>104</u>	<u>-</u>	<u>104</u>	<u>103</u>
Cost of sales and administrative expenses				
Unrestricted	<u>(66)</u>	<u>-</u>	<u>(66)</u>	<u>(67)</u>
Governance	-	-	-	
Amounts gift aided to Keech Hospice Care	<u>(39)</u>	<u>-</u>	<u>(39)</u>	<u>(36)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(0)</u>
The aggregate of the assets, liabilities and funds was:				
Assets	28	26	54	42
Liabilities	<u>(28)</u>	<u>(26)</u>	<u>(54)</u>	<u>(42)</u>
Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

7. (a) Income from charitable activities (current year)

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
Core NHS agreements	487	-	487	422
Local Authority & NHS agreements for specific care	36	8	44	-
Specialist palliative care payments for specific purposes	328	-	328	285
Statutory contributions to pension costs	-	20	20	20
Restricted Donations	-	24	24	37
Subtotal for the Adult Hospice	851	52	903	764
Core NHS agreements	80	-	80	73
Local Authority & NHS agreements for specific care	-	-	-	-
Specialist palliative care payments for specific purposes	153	33	186	208
Statutory contributions to pension costs	-	4	4	3
Restricted Donations	-	133	133	119
Subtotal for the Wellbeing Centre	233	170	403	403
Core NHS agreements	420	-	420	315
Local Authority & NHS agreements for specific care	19	33	52	47
Specialist palliative care payments for specific purposes	57	-	57	33
Statutory contributions to pension costs	-	14	14	14
Grant contribution funded by NHS England	-	227	227	208
Restricted Donations	-	35	35	13
Subtotal for the Children's Hospice	496	309	805	630
Core NHS agreements	180	-	180	130
Local Authority & NHS agreements for specific care	-	-	-	20
Specialist palliative care payments for specific purposes	23	-	23	14
Statutory contributions to pension costs	-	5	5	5
Grant contribution funded by NHS England	-	97	97	89
Restricted Donations	-	138	138	60
Subtotal for the Children's Community Team	203	240	443	318
Core NHS agreements	2	27	29	18
Local Authority & NHS agreements for specific care	-	-	-	-
Specialist palliative care payments for specific purposes	3	-	3	1
Statutory contributions to pension costs	-	5	5	5
Restricted Donations	-	91	91	390
Subtotal for Supportive Care	5	123	128	414
Core NHS agreements	1	-	1	-
Specialist palliative care payments for specific purposes	4	-	4	-
NHS Funding for Education Purposes	46	-	46	8
Restricted Donations	-	-	-	-
Subtotal for Educate and Communicate	51	-	51	8
Total income from charitable activities	1,839	894	2,733	2,537
Total restricted donations	-	(421)	(421)	(619)
Total statutory income	1,839	473	2,312	1,918

(b) Income from charitable activities (prior year)

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
Core NHS agreements	408	14	422	349
Local Authority & NHS agreements for specific care	-	-	-	1
Specialist palliative care payments for specific purposes	285	-	285	275
Statutory contributions to pension costs	-	20	20	20
Restricted Donations	-	37	37	127
Subtotal for the Adult Hospice	693	71	764	772
Core NHS agreements	73	-	73	72
Local Authority & NHS agreements for specific care	-	-	-	2
Specialist palliative care payments for specific purposes	177	31	208	214
Statutory contributions to pension costs	-	3	3	3
Restricted Donations	-	119	119	218
Subtotal for the Palliative Care Centre	250	153	403	509
Core NHS agreements	303	12	315	365
Local Authority & NHS agreements for specific care	-	47	47	47
Specialist palliative care payments for specific purposes	33	-	33	47
Statutory contributions to pension costs	-	14	14	13
Grant contribution funded by NHS England	-	208	208	208
Restricted Donations	-	13	13	42
Subtotal for the Children's Hospice	336	294	630	722
Core NHS agreements	130	-	130	131
Local Authority & NHS agreements for specific care	-	20	20	20
Specialist palliative care payments for specific purposes	14	-	14	22
Statutory contributions to pension costs	-	5	5	5
Grant contribution funded by NHS England	-	89	89	89
Restricted Donations	-	60	60	142
Subtotal for the Children's Community Team	144	174	318	409
Core NHS agreements	-	18	18	12
Specialist palliative care payments for specific purposes	1	-	1	1
Statutory contributions to pension costs	-	5	5	5
Restricted Donations	-	390	390	38
Subtotal for Supportive Care	1	413	414	56
NHS Funding for Education Purposes	-	8	8	-
Subtotal for Educate and Communicate	-	8	8	-
Total income from charitable activities	1,424	1,113	2,537	2,468
Total restricted donations	-	(619)	(619)	(567)
Total statutory income	1,424	494	1,918	1,901

8. (a) Resources expended (current year)

	Staff costs £'000	Other Direct costs £'000	Deprec- iation £'000	Support costs £'000	Gover- nance £'000	2020 Total £'000	2019 Total £'000
Cost of generating funds							
Fundraising	523	118	5	35	6	687	737
Trading	1,876	1,581	106	170	27	3,760	3,697
Total cost of generating funds	2,399	1,699	111	205	33	4,447	4,434
Cost of charitable activities							
Adult hospice	1,331	246	74	274	17	1,942	1,942
Palliative Care Centre	600	127	52	75	7	861	914
Children's hospice	1,168	282	147	225	15	1,837	1,730
Children's community team	472	55	5	35	6	573	633
Supportive Care	582	61	3	42	7	695	742
Educate and Communicate	314	43	-	19	3	379	372
Total cost of charitable activities	4,467	814	281	670	55	6,287	6,333
Governance costs	44	38	2	3	(87)	-	(0)
Support costs	310	495	74	(879)	-	-	-
Total expenditure	7,220	3,046	468	(1)	1	10,734	10,767
Total expenditure (prior year)	7,050	3,222	495	-	-		10,767

The support costs allocated, and the bases of allocation, are as follows:

	Allocation basis	2020 £'000	2019 £'000
Facilities and services	Time and Headcount	419	508
Management, HR, Finance, Admin, IT, Marketing and Communications	Headcount	460	478
Total support costs		879	986

The governance costs are allocated based on headcount across the different activity areas.

(b) Resources expended (prior year)

	Staff costs £'000	Other Direct costs £'000	Deprec- iation £'000	Support costs £'000	Gover- nance £'000	2019 Total £'000	2018 Total £'000
Cost of generating funds							
Fundraising	537	144	10	40	6	737	724
Trading	1,814	1,567	118	172	26	3,697	3,564
Total cost of generating funds	2,351	1,711	128	212	32	4,434	4,288
Cost of charitable activities							
Adult hospice	1,265	266	74	319	18	1,942	1,947
Palliative Care Centre	619	139	61	88	7	914	910
Children's hospice	1,038	275	142	260	15	1,730	1,661
Children's community team	519	64	6	38	6	633	577
Supportive Care	612	73	5	45	7	742	663
Educate and Communicate	308	41	-	20	3	372	280
Total cost of charitable activities	4,361	858	288	770	56	6,333	6,038
Governance costs	42	39	3	4	(88)	-	-
Support costs	296	614	76	(986)	-	-	-
Total expenditure	7,050	3,222	495	-	-	10,767	10,326
Total expenditure (prior year)	6,799	3,052	476	-	-	-	10,326

The support costs allocated, and the bases of allocation, are as follows:

	Allocation basis	2019 £'000	2018 £'000
Facilities and services	Time and Headcount	508	468
Management, HR, Finance, Admin, IT, Marketing and Communications	Headcount	478	499
Total support costs		986	967

The governance costs are allocated based on headcount across the different activity areas.

9. Analysis of staff costs

	2020 £'000	2019 £'000
Wages and salaries	6,312	6,174
Social security costs	464	453
Employer's contribution to defined contribution pension schemes	444	423
	7,220	7,050

The number of employees whose employee benefits amounted to over £60,000 in the year was as follows:

	2020	2019
	Number	Number
£60,000 - £69,999	3	2
£70,000 - £79,999	2	2
£80,000 - £89,999	-	-
£90,000 - £99,999	1	1
	<u>1</u>	<u>1</u>

Three members of the employees included in the bandings above £60,000 have retirement benefits accruing under a defined contribution scheme (2019: two members). Payments to defined contribution schemes in the year in respect of those employees included in the bandings above £60,000 totalled £17,555 (2019: £12,486).

The hospice considers that the key management personnel comprises the trustees and the senior leadership team. Total employee benefits of the senior leadership team was £405,790 (2019: £400,925)

10. Staff numbers

The average monthly headcount was 297 (2019: 290) and analysis of the employees by function was:

	2020		2019	
	Actual number	Full-time equivalent	Actual number	Full-time equivalent
Adult Hospice	48	47	47	47
Palliative Care Centre	13	10	15	11
Children's Hospice	34	36	34	35
Children's Community Team	16	12	15	12
Supportive Care	25	18	24	18
Fundraising	23	20	24	21
Trading	91	73	83	67
Facilities and services	15	10	14	10
Management, HR, Finance, Administration and IT	27	24	29	26
Public Relations and Communications	5	5	5	5
	<u>297</u>	<u>255</u>	<u>290</u>	<u>252</u>

The hospice had an average of 1,386 volunteers during the year (2019: 1,407), of which 824 (2019: 795) worked in our retail operations and 562 (2019: 612) supported the charitable and administrative work of the hospice. We are extremely grateful for their efforts.

11. Pension costs

Contributions to the defined contribution pension scheme for the period were £241,000 (2019: £237,000). Contributions outstanding at the year-end totalled £42,000 (2019: £43,000).

Contributions to the National Health Service Pension Scheme for the period were £202,000 (2019: £186,000) and the agreed contribution rate was 14.3%. Contributions outstanding at the year-end totalled £26,000 (2019: £25,000).

The NHS Pension Scheme is an unfunded occupational scheme backed by the Exchequer, which is open to all NHS employees and certain employees of other approved organisations. Keech Hospice Care is an approved organisation. The Scheme provides pensions, based on final salary, in varying circumstances for employees of participating employers. The Scheme receives contributions from employees and employers to defray the costs of pensions and other benefits.

From 1 April 2006, the NHS Business Services Authority (the Authority) has been the body responsible for the administration of the NHS Pension Scheme for England and Wales.

In support of the Authority, NHS employers are required to explain the Scheme to the employees. In addition, they submit pension data to the NHS Business Services Authority (NHSBSA). To ensure proper administration, the hospice outsources the management of this Scheme.

Every four years, the Government Actuary conducts a full actuarial review of contribution rates. In order to defray the costs of benefits, in 2019/20 employers paid contributions of 14.38% of pensionable pay and employees contributed on a tiered scale from 5%-14.5% of their pensionable pay, depending on total earnings. Further information on benefits can be obtained from the NHS Pension Scheme website.

12. Movement in total funds for the group

Movement in total funds is arrived at after charging:

	2020	2019
	£'000	£'000
Auditor's remuneration - audit fee	22	16
Operating lease rentals - land and buildings	697	656
Depreciation	467	495
	<hr/>	<hr/>

13. Trustees' remuneration and expenses

The trustees neither received nor waived any emoluments during the year.

No trustees received reimbursement of expenses during the year in their role as trustee (2019: two trustees totalling £317).

14. Tangible fixed assets

	Freehold Land and Buildings £'000	Leasehold Property Improve- ments £'000	Hospice Care Equipment £'000	Office Equipment £'000	Fixtures and Fittings £'000	Motor Vehicles £'000	Assets in Course of Constru- ction £'000	Total £'000
GROUP AND CHARITY								
Cost								
At 1 April 2019	10,407	1,513	393	691	1,013	95	22	14,134
Additions	378	165	8	34	156	5	-	746
Disposals	-	-	-	-	-	(3)	-	(3)
Transfers	22	-	-	-	-	-	(22)	-
At 31 March 2020	10,807	1,678	401	725	1,169	97	(0)	14,877
Depreciation								
At 1 April 2019	2,917	1,370	340	603	668	95	-	5,993
Charge for year	211	54	22	74	106	-	-	467
Disposals	-	-	-	-	-	(0)	-	(0)
At 31 March 2020	3,128	1,424	362	677	774	95	-	6,460
Net book value								
At 31 March 2020	7,679	254	39	48	395	3	(0)	8,417
At 1 April 2019	7,490	143	53	88	345	-	22	8,141

All of the above assets are used for charitable purposes.

15. Stock

	Group 2020 £'000	Charity 2020 £'000	Group 2019 £'000	Charity 2019 £'000
Goods for resale	16	-	13	-

16. Debtors

	Group 2020 £'000	Charity 2020 £'000	Group 2019 £'000	Charity 2019 £'000
Trade debtors	314	313	27	26
Amounts owed by related undertaking	(3)	42	-	35
Other debtors	176	176	205	205
Prepayments and accrued income	1,804	1,802	1,330	1,325
	2,291	2,333	1,562	1,591

17. Creditors: amounts falling due within one year

	Group	Charity	Group	Charity
	2020	2020	2019	2019
	£'000	£'000	£'000	£'000
Trade creditors	165	165	175	175
Other creditors	75	64	79	67
Accruals and deferred income	283	280	341	334
	523	509	595	576

Movement on deferred income during the year:

	Group	Charity	Group	Charity
	2020	2020	2019	2019
	£'000	£'000	£'000	£'000
Balance at the beginning of the year	99	99	80	80
Amount released to income in the year	(67)	(67)	(14)	(14)
Amount deferred in the year	49	49	33	33
Balance at the end of the year	81	81	99	99

Income is deferred where income has been received in advance of the service being provided or delivered.

18. Analysis of net assets (current year)

	General	Designated	Restricted	Total
	Funds	Funds	Funds	£'000
	£'000	£'000	£'000	
Tangible assets	-	8,417	-	8,417
Net current assets	3,012	-	576	3,588
	3,012	8,417	576	12,005

19. Analysis of net assets (prior year)

	General	Designated	Restricted	Total
	Funds	Funds	Funds	£'000
	£'000	£'000	£'000	
Tangible assets	-	8,141	-	8,141
Net current assets	2,845	-	781	3,626
	2,845	8,141	781	11,767

20. Financial commitments

At 31 March, annual commitments under non-cancellable leases were as follows:

Group and charity	2020		2019	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Expiry date:				
Within one year	580	32	546	71
1-5 years	1,550	37	1,502	60
Over five years	731	18	502	-
	2,861	87	2,550	131

One lease is in the name of Pasque Charity (Trading) Limited but is in use by the charity and the charity bears the commitment.

21. Related parties transactions

Keech Hospice Care (Trading) Ltd, a wholly owned subsidiary of the charity, was charged by the charity, during the period, a management fee of £9,575 (2019: £10,691) and a fee for the use of the charity's logo, name and data of £3,080 (2019: £3,068). The company has made a charitable donation of its taxable profits of £38,806 (2019: £38,507) to the charity. At 31 March 2020, the company owed £6,111 (2019: £9,680) to the charity.

Pasque Charity (Trading) Limited, a related company undertaking collects sums on behalf of the charity relating to the lottery. At 31 March 2020, the company owed £35,505 (2019: £25,783) to the charity.

There are no additional related party transactions to disclose for 2020 (2019: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

22. Consolidated statement of funds (current year)

	Funds			Transfers	Funds
	Brought Forward	Incoming Resources	Resources Expended	Between Funds	Carried Forward
	£'000	£'000	£'000	£'000	£'000
Unrestricted funds					
General fund	2,845	8,167	(7,656)	(344)	3,012
Designated funds					
- Tangible fixed assets	629	-	(257)	365	737
- Building assets fund	7,512	-	(211)	379	7,680
Total designated funds	8,141	-	(468)	744	8,417
Total unrestricted funds	10,986	8,167	(8,124)	400	11,429
Restricted funds					
Adult revenue fund	-	135	(135)	-	-
Hospice at Home	-	26	(26)	-	-
Adult social work fund	1	-	-	-	1
Adult Living Appeal	-	127	(127)	-	-
Adult activity funds	34	68	(55)	(43)	4
Children's revenue fund	-	1,900	(1,900)	-	-
Children's complementary therapy	6	5	(1)	-	10
Children's development board	134	98	(82)	-	150
Children's minibus provision	-	-	-	-	-
Children's investments	1	-	-	-	1
Children's activity funds	117	129	(107)	(13)	126
Children's courtyard capital project	24	-	(1)	(2)	21
Pension contribution	-	48	(48)	-	-
Children's nursing salaries	-	-	-	-	-
Other activity funds	22	7	(11)	-	18
Children's capital projects	27	6	-	-	33
Adult capital projects	35	-	-	(35)	-
Parking capital project	95	125	(1)	(219)	-
Capital projects - Both	-	113	(3)	(88)	22
Hydrotherapy Pool Appeal	285	19	(114)	-	190
Total restricted funds	781	2,806	(2,611)	(400)	576
Total funds	11,767	10,973	(10,735)	-	12,005

Designated funds

Building improvements/dilapidations	Funds specifically set aside for building improvements and other specific improvements agreed by the trustees.
Tangible fixed assets fund	Net book value of tangible fixed assets (other than freehold property) held by the charity.
Building assets fund	Net book value of freehold property and work in progress on freehold property held by the charity.

Restricted funds

Adult revenue fund	Income and expenditure which specifically relates to the provision of adult services.
Hospice at Home	Income received for provision of the Hospice at Home service.
Adult social work fund	Income received to provide an adult social worker service.
Adult Living Appeal	Income received to provide palliative care for adults.
Adult activity funds	Small miscellaneous restricted funds relating to adult services.
Children's revenue fund	Income and expenditure which specifically relates to the provision of children's services.
Children's complementary therapy	Income received to provide a complementary therapy service for children.
Children's development board	Income received to expand children's services in Hertfordshire.
Children's minibus provision	Income received to fund a minibus to use for transporting children.
Children's investments	The market value of investments given for the provision of children's services.
Children's activity funds	Small miscellaneous restricted funds relating to children's services.
Children's courtyard capital project	Funds received to develop a courtyard garden for children on the children's in-patient unit and those using day support.
Pension contribution	Funds received from the NHS to offset increased employer pension costs.
Other activity funds	Other small miscellaneous restricted funds.
Children's capital projects	Grants received for capital projects within the children's in-patient unit.
Adult capital projects	Funds received to improve the gym facilities in the Palliative Care Centre.
Parking capital project	Funds received to alter and develop our car parking facilities.
Hydrotherapy Pool Appeal	Funds received to improve the impact of the hydrotherapy pool by developing new specialist support and facilities.
Capital Projects - Both	Funds received to carry out various capital projects across the hospice, including development of the Wellbeing Centre.

23. Consolidated statement of funds (prior year)

	Funds			Transfers	Funds
	Brought Forward	Incoming Resources	Resources Expended	Between Funds	Carried Forward
	£'000	£'000	£'000	£'000	£'000
Unrestricted funds					
General fund	3,272	7,489	(7,841)	(75)	2,845
Designated funds					
- Building improvements/dilapidations	157	-	-	(157)	-
- Tangible fixed assets	618	-	(287)	298	629
- Building assets fund	7,693	-	(208)	27	7,512
Total designated funds	8,468	-	(495)	168	8,141
Total unrestricted funds	11,740	7,489	(8,336)	93	10,986
Restricted funds					
Adult revenue fund	-	98	(98)	-	-
Hospice at Home	2	27	(29)	-	-
Adult social work fund	1	-	-	-	1
Adult Living Appeal	70	83	(153)	-	-
Adult activity funds	32	96	(88)	(6)	34
Children's revenue fund	-	1,826	(1,826)	-	-
Children's complementary therapy	11	5	(10)	-	6
Children's development board	171	29	(66)	-	134
Children's minibus provision	-	-	-	-	-
Children's investments	1	-	-	-	1
Children's activity funds	167	101	(94)	(57)	117
Children's courtyard capital project	34	-	(2)	(8)	24
Pension contribution	-	47	(47)	-	-
Children's nursing salaries	-	-	-	-	-
Other activity funds	35	2	(15)	-	22
Children's capital projects	-	27	-	-	27
Adult capital projects	-	35	-	-	35
Parking capital project	120	-	(3)	(22)	95
Hydrotherapy Pool Appeal	-	285	-	-	285
Children's day care capital project	-	-	-	-	-
Total restricted funds	644	2,661	(2,431)	(93)	781
Total funds	12,384	10,150	(10,767)	-	11,767

24. Analysis of material transfers between funds

All transfers in the year relate to capital expenditure on fixed assets represented by a transfer from restricted or general funds to the relevant designated fund containing the assets.