

Company number: 02000560

Charity number: 293968

Pilgrims Hospices in East Kent

Report and financial statements

For the year ended 31 March 2020

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

REFERENCE AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 MARCH 2020

Trustees

R J Davis FCA TEP – Chairman and Treasurer (retired June 2020)
S Bates LLB. (Hons.)
Professor J Billings Msc BSc (Hons.) (resigned 7 November 2019)
P Bradshaw
G Connor
S Cuomo (appointed May 2019)
H Harrison (resigned June 2020)
M Laing (resigned 8 December 2020)
S Oriel MA (Cantab) (appointed May 2019)
S Perks
E Sharp MB BS, FRCS
T Smith (resigned 7 November 2019)
The Rt Rev Dr M Turnbull CBE (resigned 7 November 2019)
K Warden – Deputy Chair and Chair from 8 December 2020
P Williamson (resigned 22 October 2020)
Dr R Wilson

Company registered number 02000560

Charity registered number 293968

Registered office 56 London Road
Canterbury
Kent
CT2 8JA

Independent auditor Sayer Vincent LLP
Invicta House
108-114 Golden Lane
London, EC1Y 0TL

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

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

The trustees are pleased to present their audited annual report together with the consolidated financial statements of the charity (and its subsidiary) for the year ended 31 March 2020 which are also prepared in order to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial elements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Pilgrims Hospices in East Kent is a registered charity and company limited by guarantee. The guarantee of each member is limited to £1. It was incorporated on 14 March 1986 and is governed by its Articles of Association. The charity was established to promote the relief of sickness and suffering for persons living or working in east Kent.

GOVERNANCE

The charity is governed by a Board of trustees numbering not less than five and not more than eighteen. As at 31 March 2020 there were thirteen trustees, following the resignations of Professor Jenny Billings, Terry Smith and the Rt Rev Dr Michael Turnbull CBE in November 2019. The Board governs in accordance with the Articles of Association and trustees bring relevant experiences and skill sets from a variety of sectors, as determined by a regular skills audit of the Board, from which recruitment is driven. Over the period of this report, the sectors include, for example, clinical, business, spiritual/religion, retail, HR/education, legal, accounting, PR, and IT.

New trustees are appointed initially by the Board following a formal process which includes interviews by a sub-committee of the Board and by the Chair and Chief Executive, leading to a recommendation by the sub-committee to the Board. Applicants are sought from a combination of publicly advertised vacancies and personal referrals. Successful applicants are subject to re-election by the members at the next Annual General Meeting following their appointment by the Board. Policies and procedures are in place for trustee induction and development. Training of the trustees is reviewed against individual training needs and a full introduction and induction to the organisation is given to new trustees on and shortly following their appointment. Discussions have taken place with the National Council for Voluntary Organisations (NCVO) to work with the Board to develop its Board Development programme that will be taken forward during 2020/21.

In February 2020, Cate Russell, Chief Executive of Pilgrims Hospices, retired after five years of service with Pilgrims. Helen Bennett was appointed as Pilgrims' interim Chief Executive Officer and was confirmed as the new Chief Executive Officer on 2 July 2020.

Trustees are appointed for an initial three-year term and may be re-appointed for two further three-year terms. A trustee who has served for 9 years can only be re-elected by unanimous resolution of the members and for a term not exceeding 5 years. Sue Oriel and Stefano Cuomo were appointed to the Board in May 2019. The Rt Rev Dr Michael Turnbull CBE, Professor Jenny Billings and Terry Smith tendered their resignation in November 2019 and the Chair thanked them for the immense contribution they had made to Pilgrims over the years they had been involved with the charity.

Richard Davis retired as Chair of the Board of Trustees in June 2020, after 28 years of dedicated service to Pilgrims. Pilgrims has been hugely fortunate through Mr Davis's tenure to have had his insight and experience. He worked tirelessly in support of Pilgrims and has been instrumental in everything that Pilgrims has achieved. Mr Davis's dedicated commitment and leadership ensured that Pilgrims was able to successfully respond through the initial critical response to the COVID-19 outbreak. Karen Warden took on the role of Acting Chair following Richard Davis's resignation and was appointed as Chair on 8 December 2020, following a recruitment campaign overseen by the Nominations and Governance Committee.

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

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

OUR COMMITTEES

Board committees have delegated powers of responsibility but executive authority is retained by the Board. They are chaired by a trustee, have written terms of reference and provide linkage to the main Board and support to senior management. Trustees are selected as committee members having regard to their skills, knowledge and expertise and committees may include appropriately qualified individuals (thinking partners), who are not trustees, co-opted from outside the charity. Members of the senior management team also attend committee meetings relevant to them. Each committee reports to the Board on any major issues discussed, with recommendations where decisions are required. Minutes of committee meetings are circulated to the Board as a whole.

The Finance, Audit and Risk Committee oversees the finances of the charity and its subsidiary company. It is responsible for reviewing and recommending to the Board the financial strategy along with the annual budget and monitors performance against these. The Committee also oversees the strategy for investing funds and keeps the Board informed of relevant general changes in the financial environment. It reviews risk plans and corporate risks relating to finance, investment and audit. The Committee reviews the annual accounts and manages Pilgrims' relationship with the external auditors as well as monitoring their performance on an annual basis.

The Income Generation Committee supports all fundraising activities of the charity, as well as communicating the hospices' vision, mission, and services to patients, carers, healthcare professionals and the public. It reviews the fundraising plans and retail strategies (for instance, the opening of a new shop) before referring them to the Board for approval.

The Quality and Governance Board provides the Board with assurance concerning all aspects of quality and safety relating to the provision of care and services in support of getting the best clinical outcomes and experience for patients, carers and their families. The Quality and Governance Board oversees the content and effectiveness of the structures, policies, systems and processes for quality assurance, clinical, information and quality governance. It assesses current and future risks to quality and safety which may be included in the clinical services and other risk registers. It advises the Board on any significant issues regarding quality, risk or compliance issues. The Quality and Governance Board is also responsible for overseeing matters relating to information governance. Issues relating to information governance are handled by the Information Governance Group, which reports to the Quality and Governance Board.

Pilgrims is registered with the Information Commissioners Office, and is fully compliant with the General Data Protection Regulation and Data Protection Act 2018. Our privacy policy is available on our website for review.

The Major Projects Committee met regularly during this period to consider the current and future real estate requirements of Pilgrims Hospices including and to progress the proposed refurbishment and new build projects in line with the strategy and budget approved by the Board of Trustees. The Committee considered the current and future operational needs of Pilgrims Hospices and how these needs could best be addressed through redevelopment and refurbishment of the current sites whilst engaging with architects, surveyors, solicitors, financial advisers and sales and marketing agents in developing appropriate plans.

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The Remuneration and Workforce Committee meets annually to review the salary awards for the organisation and to set the overall remuneration policy. Pilgrims Hospices is committed to ensuring that the salary levels paid across the organisation remain competitive and that staff are rewarded fairly for the work they do. The Remuneration and Workforce Committee undertakes an annual review of salary levels across all pay strands in the organisation and considers a range of factors including increases in the national cost of living and the position of comparable posts in same sector organisations as well as the financial position of Pilgrims Hospices and the affordability of any annual award. Pilgrims Hospices has a clear policy on how pay is set and arrived at in the organisation.

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

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

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

RESPONSIBILITIES OF THE TRUSTEES

The trustees (who are also directors of Pilgrims Hospices in East Kent for the purposes of company law) are responsible for preparing the trustees' Annual Report (including the Strategic Report) and the group financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

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RELATED PARTIES AND RELATIONSHIPS WITH OTHER ORGANISATIONS

None of the trustees receive remuneration or other benefit from their work with the charity.

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

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

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

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

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

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

STRATEGIC REPORT

PRINCIPAL RISKS AND UNCERTAINTIES

The trustees regularly assess the risks and uncertainties that the charity is exposed to. The main risk that faces Pilgrims Hospices is its inability to deliver its mission statement including operational risks arising from workforce, financial and health and safety issues, as well as risks arising from general economic uncertainty, such as the ongoing BREXIT situation, and any other factors as well as uncertainty in the future funding of the NHS. However, the emergence of the Coronavirus (Covid-19) pandemic in the last quarter of the reporting period introduced a variety of immediate and serious risks to Pilgrims. The response to the pandemic and the consequences for Pilgrims longer term is covered in a separate section later in this report.

Financial risk would include the loss of income arising from a loss of reputation and the trustees also recognise that the charity relies on two material amounts of funding arising from legacies and the NHS grant. Action is being taken to encourage the continued flow of legacies and a strong relationship is maintained with the NHS to secure the continuance of the grant, particularly in the light of the Covid-19 pandemic which has raised the prominence of end of life care.

Workforce risks include the inability to be able to recruit and retain suitably qualified staff and this particular risk is also faced by many parts of the NHS. Currently we have a full complement of clinical and support staff. We do however continue to face challenges in recruiting Consultant grade doctors and specialist registered nurses – this is a national problem amongst hospices providing end of life care due to the scarcity of doctors at this level in this area of specialism and the scarcity of qualified nurses. We are in negotiation with East Kent Hospitals University NHS Foundation Trust (EKHUFT) and Kent and Medway Clinical Commissioning Group (K&M CCG) commissioners about increased consultant input in their business plans. EKHUFT have advertised for a hospital consultant post and we are waiting to hear back from the CCG.

Pilgrims Hospices' workforce also includes around 1,600 volunteers, with time donated by volunteers essential to sustaining some of our key functions including receptions, fundraising events, and our retail shops. A number of factors, principally increases to the state pension age, mean that many people are working longer and this has created a significant pressure on the availability of volunteers. At the same time, growth in the charity sector has created increased demand for volunteers. Pilgrims already has difficulty recruiting volunteers in sufficient numbers to fill some roles, and we anticipate this pressure is likely to increase in the future. The Covid-19 pandemic had a significant impact on our volunteer workforce and its

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ability to support the hospice. This is covered in the separate section relating to the pandemic later in this report.

A formal risk register is in place and the trustees have adopted a risk management strategy whereby those risks are identified, the level of risk is assessed and systems for ameliorating them are put in place and regularly reviewed.

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

PUBLIC BENEFIT STATEMENT

The trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The charitable purpose of Pilgrims Hospices in East Kent is stated below in 'Objects and Activities' and the trustees ensure that this purpose is carried out for the public benefit.

OBJECTS AND ACTIVITIES

"Our vision is of a community where people with a terminal illness and their family and friends are supported and empowered to live well in mind and body until the very last moment of their life".

East Kent has a population of 750,000 and each year approximately 7,500 adults will die. This can be due to a sudden incident, such as a heart attack or an accident, or it can be the outcome of a long term illness. Pilgrims Hospices is a charity that offers specialist support for people living with a terminal diagnosis or a life limiting condition. The support we offer is very varied as it is tailored to meet the needs of families who face challenges at the end of life that cannot be met by other local agencies. We have over 35 years of expertise, research and insight to offer; our aim is that people who are dying can live well for as long as is possible and experience a good death.

The majority of our care is delivered in the community, either in the patient's own home or the residence in which they live, such as a nursing home or residential care facility. If it is not possible to care for the family in their own environment we offer full inpatient support in one of our three facilities. Pilgrims is the only adult hospice in the UK that has three separate inpatient units working together as one organisation. Our patient facilities are based in Ashford, Canterbury and Thanet and we have outreach clinics in Deal, Dover, Faversham, Folkestone and Whitstable.

Mission:

- Our 'Mission' is to make a difference in the lives of individuals in east Kent who are facing the last year of life.
- We will provide open, compassionate care and expertise for you and your family; both in the community and in our in-patient units. We will continue this support for your family through their bereavement.
- We will inform, educate and enable you and your family so you can make informed choices and participate in planning your own care.
- We form strategic partnerships throughout our community; sharing our research, knowledge and expertise to enable others to play their part in supporting families where and when they need it.

Values

We will live our values through the application of our **C.O.D.E** in all we do:

- C - Compassionate**
- O - Open**
- D - Dynamic**
- E - Empowering**

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We will be **compassionate** but **open** in all of our interactions so people feel supported and well informed. We will strive to be **dynamic** – looking for innovative ways to resolve problems and respond to need in a timely and efficient way. We will seek to **empower** people through education and insight and support their choices.

Background:

In 2015 we set a Five Year Strategic Plan around five key pillars and we are on course to achieve our aims.

- **Individual Experience:** - We put the people needing our support at the centre of all we do so they are supported and empowered to live well in mind and body until the very last moment of their life.
- **People Development:** - We are recognised as a preferred employer within east Kent; attracting, developing and retaining talent across our organisation. Our volunteer service model is recognised as best practice within the hospice universe.
- **Stakeholders:-** We are seen as leaders in the sector – driving integrated 'End of Life Care' across east Kent. We are enabling and empowering our community to support families facing the challenges of terminal illness throughout our community networks.
- **Finance:** We have robust systems to manage all financial activity and achieve our agreed budgets.
- **Operations:** We have a legally compliant, cost and resource efficient operation that provides the optimum environment for achieving our vision.

On average we have 2,500 referrals a year and around 65% of these referrals come from the Oncology teams based in our local hospitals. This gives us a bias for patients who have cancer as their primary diagnosis. A particular challenge that we are seeking to address in the future is that the majority of our patients are referred to us when they are in the last ten to twelve weeks of life. This is just too short a time to afford the family the full benefit of our services so we are working to change this profile.

To ensure access to our services is equitable, we go out into the local healthcare environment every day. Our clinical and medical teams attend ward rounds every week in each of the east Kent hospitals – William Harvey Ashford, the Kent & Canterbury and the Queen Elizabeth the Queen Mother Hospital (QEQM) in Thanet. They consult across all hospital specialities and if it is felt a patient may benefit from extra input and support we will either transfer the patient to our facilities or have input into their care plans. We are seen as valued colleagues by GPs and we are regularly invited to attend their patient evaluation sessions. We offer advanced training programs for all healthcare professionals who manage patients coming to the end of their life; as well as participating in clinical research on a local and national level.

On a monthly basis we can have up to 116 patients use our inpatient facilities. Around 73% of these patients just need a specific intervention such as symptom management. Once their issues are resolved they return home. Others come to spend their last days in an environment that best suits their needs and supports their family. We operate very differently to an acute hospital and by aiming for a bed occupancy of 75%, we have more chance of a bed being available for our patients in the community in case their plans to die at home suddenly change.

Out in the community at any one time we can have up to 750 people needing various levels of support. The entire operation is very fluid as we adapt plans on a daily basis depending on the needs of families who have been referred to us.

The charity is completely independent and the majority of our funding (73%) comes directly from the generous donations of the east Kent community. We have service funding agreements with the Kent and Medway CCG, covering eastern and coastal Kent which contribute approximately 20% towards our running costs across the three sites.

ACHIEVEMENTS AND PERFORMANCE

Individual experience

In the last year we have cared for 3,430 patients. The majority of this care is given in their own homes with an emphasis on living well. Our team of professionals includes physiotherapists, nurses, occupational therapists,

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doctors, social workers, counsellors and spiritual leads who all work together with our volunteers to alleviate symptoms and to help patients keep as much independence as possible, together with offering practical support for both the patient and their family.

Our Wellbeing and Social Therapy centres provide a range of programmes covering common problems and concerns our patients and their families face. The earlier involvement patients and their families have with our services the longer and greater their benefit. It is a shame that many people are still nervous about engaging with Pilgrims services. Whilst this is the case for all hospice service providers, we are working closely with professionals and our communities to change this perception.

The three inpatient units provide care for those whose needs cannot be met at home. The average stay of patients in our in-patient unit is around 9 days.

Whilst our total number of referrals has remained steady with, on average, around a 5% increase or decrease year on year we anticipate that the demand for our services will increase. This is due to a number of factors including the increasingly ageing population. With the changing pattern of illness our services will need to adjust but the key step is involving Pilgrims as soon as possible in the patient's care plan.

As the patient's condition and needs change so does our input. For some this may only be access to our 24 hour telephone line which is available for patients, families or professionals. For others it may be a more intensive input involving regular contact with the whole team or even admission.

The feedback so far from patients and families that have attended has been excellent; our service has had an average overall approval rating of 96.5% so we are confident that it meets the needs of our patients.

Working in partnership: Stakeholders

Our hospice service covers the whole of east Kent, however, within that geographical area NHS services have changed significantly over this year, with the four commissioning groups coming to together to form one Kent and Medway group. There is one Integrated Care System covering the same area and four integrated care partnerships. We correspond to the East Kent one. This is then divided into smaller primary care networks. These adjustments are still settling down and we will work closely with each of these groups.

Working closely with our NHS professional colleagues is key to good patient care. We look to our colleagues to identify a patient in need early on and refer to us as required. We work alongside the patient's primary healthcare provider but all patients remain in the care of their respective GP at all times. We provide them with a 24/7 professional helpline to offer advice and guidance. We undertake home visits or outpatient consultations and arrange admission to the inpatient unit if needed.

We continue to provide extensive training for our NHS and care home colleagues; managing patients who are coming to the end of their life requires specialist knowledge and understanding. Our education and research activities ensure we are able to stay ahead of relevant developments in this area of care. We have worked with the Universities of Kent and Cambridge, University College London and Hull and York Medical School. We participate in national studies and publish work regularly.

Pilgrims offers a number of training opportunities both for qualified doctors trying to develop their skills and medical students planning to graduate as doctors. For qualified doctors there are three categories:

1. Those planning a career in palliative medicine who we have on annual placement as part of their training to become consultants. These doctors are on a rotation involving London and Kent, Surrey and Sussex. For administrative purposes their host employer is St Helen's and Knowsley Hospitals NHS Trust, but they have no other connection with this hospital trust.
2. Those planning a career in general practice who rotate through the hospice every four months as part of their development. We have up to 15 doctors a year although only 3 full time. The majority becoming local GPs who we then have good links with.
3. Doctors of various levels of experience who come for "taster sessions". These can vary from a day to a week. They get a better idea of how the hospice works and see if it is a career they would like to follow.

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2019 saw Pilgrims launch our Stepping Stones Bereavement Support service. We successfully recruited 15 volunteers from a range of backgrounds. Our partnership working with South Kent Cruse Bereavement Care, enabled us to train the volunteers jointly, to ensure they have become equipped to run the support groups and meet the range of needs currently being experienced at each group. The training comprised of four half day sessions, with theory and practical/role play exercises along with home study/self-directed learning. The Project Lead provides direct support and management of the volunteers alongside the service at this point of development. We also successfully recruited a volunteer supervisor to provide the required reflective support for volunteers at the end of each group session, allowing volunteers to gain support, but also as an ongoing learning resource within this field of expertise. We are now regularly seeing an average of 7-8 bereaved people at each support group, with the acceptance that this number can grow to a maximum of 12-15 people at each session. Importantly, the qualitative data and evaluations now being gathered from those attending, is proving very worthwhile, showing that those who have previously not been able to access suitable support for their bereavement needs, are able to find this at the Stepping Stones support groups. Pilgrims has now officially registered the service with 'The Good Grief Trust', who provide a service nationally to bereaved people.

We have provided three Best Practice Forums per site over the past year. These sessions were open to all external Health Care Professionals across east Kent and were held in the Pilgrims Therapy Centres with the aim to increase knowledge and skills in End of Life Care. In all, 317 Health and Social care Professionals attended these sessions (70% of the places available). Members from all of Pilgrims staff groups have presented at these events. At these sessions 71% of attendees completed evaluation forms reporting the following:-

- 60% excellent
- 39% good
- 1% fair

Comments were very positive, reporting the events to be very informative, interesting and well presented. We are reviewing all of the evaluations and preparing the next round of events.

People Development

Pilgrims aims to be recognised as a preferred employer within east Kent – attracting, developing and retaining talent across our organisation and for our volunteer services to be recognised as best-in-class within the hospice sector.

Pilgrims employs 399 people in a mix of full and part time roles, as well as our internal flexi-bank with these staff occupying FTE 285 posts. We recognise that supporting staff to achieve a good work life balance is essential to maintaining a happy, healthy workforce. Staffing numbers have remained broadly constant throughout 2019-20. A small increase in our full time equivalent staffing reflects that we have bolstered our employed Retail staff and our Community team. We also now maintain a slightly smaller pool of flexi-bank (casual) workers as we now seek to prioritise internal redeployment of staff to cover gaps in schedules, as opposed to the additional cost of flexi-bank shifts. Staffing headcount, however has remained constant between the two years.

Pilgrims employs a diverse workforce, with staff performing more than 70 different roles across a range of functional areas within the organisation, including:

Nursing & Care: A mix of Registered Nurses and Healthcare Assistants support our inpatient units, while teams of Palliative Specialist Nurses support our community patients. Additionally, a team of specialist Advanced Nurse Practitioners provide input across our inpatient and community services and our Hospice at Home team provides personal care

Medical: Consultants and Specialty grade physicians provide input for both our inpatients and community patients. We also have doctors training in general practice and to work in palliative medicine.

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Allied Health Professionals (AHPs): A wide range of AHP's support our patients, across our inpatient and community services, as well as providing programmes for our therapy centres. Our AHP teams include occupational and physiotherapists, spiritual care professionals, social workers, counsellors, complementary therapists and wellbeing practitioners.

Income Generation: Pilgrims has to raise 80% of our operating costs from the community and therefore engages in a wide range of income generation activity. Our income generation teams include our community, corporate and events fundraisers, individual giving, trusts and grants, lottery, retail and marketing.

Hospice Services: Not all of our patient facing and front-line workers are clinical. Our Hospice services team includes catering and domestic teams, maintenance engineers and site managers, as well a patient-facing administration team working across our sites.

Head Office Support Functions: Our head office provides a number of essential support functions to the wider organisation, including HR & Payroll, Finance, ICT and Research. Our Education and Training Team also provide a range of training to both internal and external delegates.

We run a complex business with very vulnerable people at the centre of our care. By working as one team we are able to work across three sites, sharing skills and resource which makes us robust and cost efficient with over 80% of our income going on patient care. Currently we are the only hospice in the UK that has this infrastructure and we are able to provide a service whereby more people in east Kent, proportionally, end their life in a hospice bed than anywhere else in England.

A cornerstone of our people development strategy is our Personal Best Programmes. These include a Personal Best Programme for delegates across the organisation, as well as a Personal Best Leadership Programme for the leaders within our organisation. More than 120 staff have participated in personal best, either as delegates or as coaches since 2017. The aim of the programme is to increase employees' levels of happiness at work, foster greater engagement between staff and managers and enable everyone to respond positively to change so that we can continue to meet the needs of our patients, families and carers. Our first Personal Development Leadership Programme is underway and has identified some key leadership challenges for the organisation which will form the basis of projects throughout the programme.

On the 3rd October 2019 Pilgrims was awarded the CIPD Award for Excellence in Learning and Development for our Personal Best Programme.

Our National Hospice UK Staff and Volunteer Survey Results 2019 showed we have continued to increase overall levels of positivity for both staff and volunteers. A record proportion of the workforce completed the survey in 2019, with this increase predominantly driven by a 47% increase in volunteer responses. Reported confidence in both the Senior Management Team and the Board of Trustees is higher than for any previous survey. In addition to this, both staff and volunteers continue to believe in the excellent care that is provided by the organisation. They understand the aim of the organisation, their part in it, and feel proud to be part of the delivery of our services. They hugely enjoy the work they do and the people they do it with. Further, staff reported the highest levels of pay satisfaction in the past six years.

We are supported by over 1,600 volunteers who contribute their time, commitment and expertise right across the charity. We have further expanded our volunteer roles throughout 2019-20 through the development of our expert volunteer service Stepping Stones as we provide more services to the people of east Kent. We are committed to continuing to look for new and innovative ways in which volunteers can support Pilgrims, including micro and virtual volunteering.

In 2019, Pilgrims invested significantly in improving our volunteer training in order to ensure we provide the highest standard of support to our volunteers. This included the appointment of a volunteer training coordinator, funded by grant, and a full review of our volunteer training, including induction and the development of a core training matrix for volunteers.

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The new 'Volunteer Induction and Core Training Programme' has been launched for new and existing volunteers, with initial feedback indicating that 97% of the volunteers who have so far attended rated the sessions either 'good' or 'excellent'.

We can only provide the highest quality healthcare to patients and their families if we recruit and retain the best possible staff and if all these staff are treated with respect and feel valued. Pilgrims has developed our CODE (Compassionate, Open, Dynamic, Empowered) which is a shared set of values and behaviours which characterise all our dealings with each other, our patients and families. 2019 saw our first ever CODE staff and volunteer recognition awards.

We have policies and procedures supporting equality and diversity that help us to ensure rights and responsibilities are applied equitably and we have processes that allow us to examine problems fairly and sensitively when they arise. All our data is collected in line with Data Protection Regulations and our Board of Trustees is provided with an annual update in relation to the diversity of our workforce.

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

Operations

We continue to review all our physical facilities on a regular basis to ensure that they remain well maintained and meet all health and safety legislation.

We are regulated by the Care Quality Commission and report to them appropriately. We have quarterly quality performance meetings with the Clinical Commissioning Groups where we report on the following Key Performance Indicators (KPIs):-

- Hand hygiene
- Sharps management
- Commode cleaning
- Mattress audit
- Infection control
- Friends and Family Test
- Staff appraisals
- Clinical Mandatory Training

We are fully compliant in all of the above with the exception of Clinical Mandatory training. A new E-learning solution is now in place alongside a full review of safeguarding training to ensure that we are compliant in the next financial year.

We take part in PLACE (patient led assessment of the care environment) to benchmark our facilities and services against other hospices – this is an assessment where patients and carers join an internal team to assess our environment in terms of building appearance and maintenance, cleanliness, food, privacy dignity and well-being, dementia and disability. We have taken part in PLACE for the last 4 years and have continued to see a year on year improvement in our results. Last year we scored better than the national hospice average in 5 of the 6 key areas.

The last quarter of the year was significantly impacted by the COVID-19 pandemic, but our community continued to support us in an amazing fashion, not just financially but in other areas including:

- PPE of all kinds to support the clinical teams
- Food donations worth over £15,000
- Donations of key H&S equipment

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We continue to seek feedback to improve our services. Our Catering department is an excellent example of this and in the last year they have:

- Run a catering survey that involved getting the views of 70+ patients. The results were hugely positive.
- Introduced a staff/volunteer feedback system so that people can give their views on food quality and menu choices.

We continue to strive for ways to improve our operational safety and efficiency. Prior to the COVID-19 pandemic, we were looking at a new and improved incident reporting system. This would also give us access to a number of other modules that would help us manage our resources more effectively. The incident reporting module will be fully deployed later in 2020-21.

We also continue to focus on our buildings and improving the environment for our patients and their loved ones. This year we have completed improvement projects across the sites, through the generosity of a number of Trusts. The key ones were on our Ashford site, where we have completely renovated our Therapy Centre and main reception and café areas. The results have had a really positive impact on the experience of our service users. In addition to this, at our Thanet site, we have put a walk in freezer into the kitchen area. This gives the site much greater capacity to handle food donations effectively.

As part of our Estates strategy we have completed a renovation of a cottage adjoining our New Romney shop and a cottage conversion adjacent to our Dymchurch bookshop. Both have been converted into residential properties and are now occupied. These conversions are the first of a number of property development opportunities that we have planned.

Streamlined Energy and Carbon Reporting.

Overview:

Pilgrims Hospices in East Kent uses energy in the form of gas, electricity and fuel for vehicles. The figures reflect UK energy usage. This is the first year that Pilgrims Hospices has captured the data in this format and the reporting format and content will evolve as we become more familiar with the reporting requirements. This data will provide a benchmark against which the organisation will measure environmental performance in subsequent years. Transport data is captured from two datasets; fuel cards which detail the quantity of fuel purchased in litres, and mileage claims in respect of employees using personal vehicles for business purposes.

The organisation achieved Phase Two ESOS compliance in December 2019 and has taken significant steps towards reducing energy use. These include a programme to upgrade to LED lighting where feasible, the appointment of green champions across all sites, the installation of more energy efficient heating, and an ongoing effort to reduce unnecessary travel through the use of virtual technologies for meetings and even patient contacts.

Additional measures are planned, including improved insulation, further training for staff and ensuring energy efficiency is a considered when procuring new devices.

Our energy usage in 2019-20:

Gas usage:	363,169.59 kgCO ₂ e
Gas use intensity:	236.89 kwh/m ² /y 43.69 kgCO ₂ e/ m ² /y
Electricity use:	236,997.89 kgCO ₂ e
Energy use intensity:	91.30 kwh/m ² /y 23.32 kgCO ₂ e/ m ² /y
Travel data:	124,743.72 kgCO ₂ e

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Notes on Preparation:

GHG emissions have been calculated using the 2019 UK DEFRA condensed carbon conversion factors dataset and emissions are presented in CO₂e (Carbon Dioxide Equivalent). For buildings, an energy intensity metric of kWh per m² has been identified as the most appropriate measure, using data from annual energy bills. When calculating intensity ratios for gas, only premises with an installed gas supply were included when calculating the total square metres used.

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

For electricity, full year CO₂e figures for each individual supply were not available. Pilgrims Hospices therefore used the 2019 average energy supplied in the UK according to the 2019 UK DEFRA condensed carbon conversion factors dataset.

Pilgrims Hospices does not keep records regarding the size or type of fuel used in employees' personal vehicles. CO₂e has therefore been calculated for claimed mileage based on the 2019 UK DEFRA condensed carbon conversion factors dataset, using the "average" personal vehicle and "unknown" fuel types.

Income generation and fundraising

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

We do not use consultant fundraisers to solicit gifts from prospects and donors. All gifts are solicited by Pilgrims Hospices Fundraisers who follow guidelines stipulated by the Charity Commission and Fundraising Regulator. We are also mindful of the General Data Protection Regulations (GDPR) and have a Privacy Policy and a named Data Protection Officer. Pilgrims Hospices uses a Customer Relationship Management (CRM) system to record all donations to ensure appropriate levels of communication are maintained. Fundraising activities are monitored by a team of managers, the Director of Income Generation and Marketing, the Chief Executive Officer, The Income Generation Committee and The Board of Trustees.

Pilgrims Hospices is committed to following the highest standards and to ensuring a quality supporter experience. We have detailed procedures in place that in many cases go beyond the minimum requirements for the sector and we regularly monitor ourselves against the external hospice environment.

Some of our fundraising activity is conducted on our behalf by carefully selected fundraising agencies. We occasionally work with agencies to telephone existing supporters to talk to them about their donation and, on some occasions, to ask for a further donation. We work very closely with our agencies to make sure they represent our work and our organisation to the highest standards.

Pilgrims Hospices runs its own lottery. The Lottery is fully licensed and regulated by the Gambling Commission, who as part of the licensing conditions inspect and review Pilgrims Hospices Lottery's processes and policies to ensure compliance.

The Lottery Team work with an external agency who supply canvassers and are remunerated by the external agency, they are paid a fixed fee for each new member recruited. The canvassing activity, both face to face and over the telephone, is licenced. The canvassing agencies Pilgrims employs work within all required guidelines and codes of practice, (Gambling Commission LCCP, Fundraising Regulator, EU GDPR ISO 27001) and all other legal requirements relating to data protection, including relevant guidance from the Information Commissioners Office. They operate in line with the Protection and Social investments Act 2016. All canvassing agency staff are fully trained and agree and sign a Canvassers Charter. Each canvasser is met with and inducted by the Lottery team, this includes an overview of our services, expectations, requirements and codes of conduct. This meeting also facilitates the opportunity to ensure all

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relevant paperwork is signed and in place.

Pilgrims Hospices works within its local community to generate income and this includes working with volunteers who work closely with the Income Generation Team. Volunteers receive training on their roles, their responsibilities and are supervised by members of the Income Generation team. All staff and volunteers adhere to Pilgrims Hospices code of conduct which are detailed in Pilgrims Hospices CODE. We regularly meet with our volunteers both individually and in group settings to set priorities and manage their activities.

Pilgrims Hospices operates a risk register to manage risks around all Pilgrims Hospices functions including Income Generation activities undertaken by the Fundraising, Lottery and Retail Teams.

We have a comprehensive set of policies and procedures in place to ensure compliance with best practice and legislation. All comments and complaints are promptly responded to and investigated to ensure that lessons are learned for organisational improvement. In 2019-20 our Income Generation Team, comprising: Fundraising, Lottery, Retail and Marketing, received four complaints which were all acknowledged within 48 hours of receiving the complaint and resolved within the stated timescales as detailed in our Complaints Policy.

Pilgrims Hospices protects vulnerable people and other members of the public from unreasonable intrusion, in that it does not cold call, undertake street fundraising or undertake cold direct marketing campaigns. Pilgrims Hospices does not undertake wealth screening and the Pilgrims Hospices CRM system allows it to monitor approaches and ensures no one experiences multiple approaches or solicitations which might place pressure on them to give money.

Our income generation activities from donations and campaigns had a successful year raising £1,336,000 (2019: £1,106,000) representing an increase of £230,000. Notwithstanding this, the Covid-19 pandemic had a detrimental impact on several of our fundraising income streams in the last quarter of the reporting period and into the new financial year. More detail about this is included in the separate section in the Trustees' Report covering the impact of the pandemic on Pilgrims.

Legacies have not performed well, we received £1.3million in legacy income compared to £2.6 million in the previous year. This was substantially down on previous years and to an extent has been explained by delays and backlogs at Her Majesty's Courts and Tribunal Service (HMCTS), as well as more recently at HMRC. In February, Smee and Ford provided an update that HMCTS were dealing with a backlog of 17,000 probate applications. An increase in staffing levels at HMCTS has started to address the backlog and we are receiving more referrals relating to older residuary legacies, several relating to legacies from 2018-19. However, a surge in probate applications in the late summer has increased this backlog. It remains to be seen whether legacy income will recover to pre 2019-20 levels.

The fundraising activities earned income of £1,147,000 in the year, which was £327,000 lower than 2018-19. This was because in the previous year, we ran a high value bespoke event in partnership with Ashford Borough Council that raised £183,000. Our flagship events The Cycle Challenge and The Pilgrims Way Challenge performed well and collectively raised £189,232, 12% ahead of income raised in the previous year. We were delighted that a total of 1,795 participants took part in both events.

In 2019-20, the Pilgrims Fundraising Team received national recognition and were awarded the charity's first national award, from the Charity Times in October 2019 for "Fundraising Innovation". The team also won a second national award from Hospice Income Generation Network (formerly National Association of Hospice Fundraisers) in March 2020 for "Most Innovative Idea or Campaign". Both awards recognised the technological innovation made by the charity to the Cycle Challenge event, which celebrated its 10th anniversary in 2019, the development of the newest event, the Pilgrims Way Challenge, and the use of technology to enhance the participation experience and safety of both events via the bespoke Pilgrims Hospices Events app.

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The Retail and trading operation performed ahead of budget until the final quarter of the financial year when income for the months fell below budget. This trend was exacerbated as a result of the Covid-19 pandemic, with the shops experiencing a marked decline in footfall in the lead up to the lockdown at the end of March. Net profit fell short by £514,000 with end of year net profits of £1.2 million. In September 2019, a five year plan was approved to increase Retail's net contribution to £2 million by 2025. As a result of Covid-19 these plans have been delayed.

The Pilgrims lottery remains strong, with a turnover in excess of £1.1 million, producing a net profit of £624,000, a decrease on the previous year (£646,000), which was due to increased member recruitment costs. Player numbers continue to increase, with 22,000 active members. Taken together, the performance in the year indicated that underlying income generation remained robust, despite the uncertain economic climate.

Trust income performed better than the previous year, raising £230,000 compared to £111,000 in 2018-19. However, it fell short of its budget of £300,000 by £70,000. This was mainly as a result of not having a Trust Officer in post for most of the year.

PILGRIMS RESPONSE TO THE CORONAVIRUS PANDEMIC

The outbreak of the Covid-19 pandemic in the UK in the spring of 2020 had a substantial impact on Pilgrims. The sections below outline the effect the pandemic had on the hospices, how the hospices responded to the effects of the pandemic and the plans Pilgrims has developed to manage in the aftermath.

Governance

From early March onwards, Pilgrims' Executive Management Team (EMT) held regular conference calls with key staff across the three sites to discuss the unfolding pandemic and monitor Covid-19 related activity in the clinical and non-clinical teams, including staff sickness rates, in order to co-ordinate Pilgrims' response to the changing circumstances. These were stepped up to daily Zoom meetings, as the restrictions on social distancing were increased and the situation with regard to clinical guidance accelerated. In order to maintain communication and engagement with the Board during a fluid and fast moving situation, weekly briefing meetings with trustees were held via Zoom, detailing the clinical picture, the EMT's response to the unfolding situation from both a clinical and non-clinical perspective, as well as the financial picture. The underlying programme of quarterly Board and Board sub-committee meetings continued, again facilitated via Zoom. This continued from late March through to late June, when it was clear that the response to the pandemic could be eased and governance structures could return to normal reporting time frames, albeit still facilitated virtually.

Generally it was considered that communication had been effective during the period and that the use of technology had been transformational, especially with regard to staff home working and virtual communication with the Board.

Pilgrims staff

As Pilgrims Hospices is a provider of healthcare services, our staff and volunteers were automatically designated as key workers, however, early guidance was clear that individuals who were able to work from home should do so, and that organisations should take all reasonable steps to facilitate home working, reduce face-to-face contact and to cease non-essential operations. Pilgrims acted swiftly to protect our staff, volunteers and patients, and by 1 April 2020 had put in place measures for more than 80 staff and volunteers to work from home, as well as designating 44 staff (12% of the workforce) as furloughed workers.

Inpatients

The Pilgrims inpatient units across all three sites continued to work as normal and it was agreed early in the period that the inpatient units should accept Covid-19 cases, with preparations being made for this eventuality. At the beginning of the pandemic crisis, Pilgrims Hospices was immediately requested by the local CCG to open up an additional four beds at each site to support the expected demand on End of Life beds. The Community Nurses were retrained to support the inpatient setting as required as were the Physiotherapists, Occupational Therapists and Wellbeing Practitioners. Some retired nurses from Pilgrims

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and our Flexi Nurses were asked if they would work additional shifts.

The nursing staff have found the additional PPE challenging not only physically but psychologically with this hindering communication with patients.

Community Nursing

The Community Nursing team quickly moved to offer telephone or video consultations and attended home visits only when necessary.

Allied Healthcare Professionals

The Physiotherapy and Occupational Therapy Teams continued with their work on the inpatient unit. The teams moved to telephone and video consultations and provided one-to-one support for things such as breathlessness and fatigue management, services that used to be delivered in groups. The teams then utilised the Marketing Team to video the many therapy centre programmes enabling patients to view them.

Wellbeing Practitioners

Recognising the need early to reduce the footfall into our hospice sites and to protect our vulnerable day service patients, the decision was taken to close the Pilgrims Therapy Centres. The Wellbeing Practitioners introduced wellbeing telephone service support to patients and families. 50% of the Wellbeing Practitioners were redeployed to the inpatient units to support the provision of the additional beds in support of the NHS.

Counselling

As the Covid-19 crisis began to unfold, many of our counsellors clients were already making the decision themselves not to come into the hospice for face to face counselling. With the implementation of social distancing measures, we recognised the importance of being able to provide ongoing counselling support, especially during these times. All counsellors, including volunteer counsellors and Stepping Stones bereavement support volunteers, moved to providing telephone counselling support to patients, carers and bereaved family members. Where necessary, the counsellors still saw patients on the Inpatient Unit.

Social Work Team

Our social work team also moved to home working to support patients and families with psychological and practical needs and continue to coordinate services to support discharges and ongoing care needs in the community.

Medical team

Two recently retired doctors came back to work and enabled the medical team to put in place the following:

- Seven day service to east Kent hospitals providing a senior doctor each day. This was and remains key in ensuring better end of life care and symptom control at what was an extremely difficult time.
- Seven day service to the community, providing a senior doctor each day for any urgent assessments or input required.
- Staffing for the additional inpatient beds.
- The development of symptom control guidance for patients dying from Covid-19.
- Data collection on the way people die from Covid-19 to update and improve care.
- Established a senior clinician helpline to provide and obtain expert medical advice promptly, bypassing usual hospice numbers for urgent situations.
- Maintaining an up to date knowledge of the research and clinical developments around Covid-19

Pharmacy team

Our specialist palliative care pharmacist worked closely with the hospital and community services to ensure we were up to date with the changes in medication legislation, that medication supplies were available and shortages were highlighted so we could adjust practice. Symptom control and medication advice was disseminated in the community and hospital. Pilgrims developed alternative medications that could be used if our usual approaches were unavailable including an emergency box available if needed. The relevant documentation for this was also put in place.

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Hospice Services

The Hospice Services team faced some real challenges in how they responded to the pandemic. It was vital to keep patients fed and the sites clean as well as making sure that key H&S activities and sites were well maintained.

There was creative use of volunteers to supplement the existing teams. The teams also had to adapt to new ways of working that were presented during the pandemic and they rose to the challenge to support the patients, their families and the clinical team.

Research team

We have continued to look at research relevant to palliative care. We contributed to the Kings College London CovPall Study Survey and shared a number of staff and family surveys as they have come through. Unfortunately our existing studies were put on hold during the pandemic but our research nurse was able to move into the acute hospital to help collect data for the international Covid-19 studies being conducted there. The research team also undertook a literature survey to ensure we were supporting the emotional and psychological needs of our staff.

Stepping Stones Bereavement Service

Pilgrims has been offering volunteer led bereavement support groups to hospice and non-hospice families for the past year, but had to suspend these due to the Covid-19 crisis. However, we recognised that during the crisis, many more people would experience bereavement, whether that bereavement was as a direct result of Covid-19 or some other cause – or perhaps they were bereaved before the pandemic began and were still grieving, or had limited access to usual support networks, not able to celebrate a loved-one's life due to restrictions around funerals. All these were further compounded by the constant stream of upsetting and distressing news and increased worry and anxiety.

The Stepping Stones bereavement service moved to a telephone support service. It continues to be available to anyone in east Kent who is grieving – we offer a 30 minute bereavement support call at an agreed time and a further 30 minute follow up call if required.

Additional Support to NHS and Social Care

Four additional beds per site were put in place along with the necessary staffing. Pilgrims set up a telephone advice line for Health and Social Care staff in discussing and completing Treatment Escalation Plans with patients in hospital and in the community. We produced and delivered a number of training courses to health and social care staff, including in the use of Treatment Escalation Plans and Verification of Expected Death. Pilgrims provided training and support to care homes across east Kent, including face to face PPE and Infection Control Training, hands on care and support as well as a bereavement and support package for care home staff.

Personal protective equipment (PPE)

The supply of PPE has been a constant challenge throughout the pandemic. Keeping our staff, patients and visitors safe was a top priority for us. We had an amazing response from the community that made a significant difference to our supply. Without the community support the challenge would have been ever greater. A huge amount of time and effort went in to opening up a consistent and reliable pipeline of the key items of PPE that we needed, this enabled us to keep people safe at all times.

Visitors

One of the toughest decisions that we had to make during the pandemic was to restrict visiting. We know exactly how difficult this was for the loved ones of our patients not to be able to see them. We made sure that technology was available to continue face to face contact to happen virtually. We reviewed our approach regularly and took every opportunity we could to relax our approach whilst also keeping people safe.

Looking after our People and Wellbeing During Covid-19

A key priority for Pilgrims Hospices during the outbreak of Covid-19 was to support the wellbeing of our staff and volunteers and ensure safe working practices. We introduced a variety of health and wellbeing resources

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to support staff both in their personal life and whilst at work. Some of these included:

- A practical information pack for working families
- A Health and Wellbeing tool kit
- Staff telephone helplines
- Resources for managing anxiety during the pandemic
- Guidance for effective homeworking
- Making additional food and drink available for our staff

Pilgrims will continue to develop our health and wellbeing offering for staff as part of our wider Health and Wellbeing Strategy.

Through Covid-19 it was identified that individuals from Black and Minority Ethnic (BAME) backgrounds were disproportionately impacted by Covid-19. While the reason for this disparity is not clearly understood at present, Pilgrims put in place a number of additional measures to protect staff and volunteers identified as vulnerable due to their ethnicity. These measures have included amended duties where feasible, and additional PPE to provide a greater level of protection for patient-facing staff.

Head Office

Pilgrims has been able to sustain the majority of head office functions, including Finance, HR, ICT, and Marketing at or close to full capacity throughout the Covid-19 pandemic. The vast majority of head office workers have been working from home, with a skeleton staff working on-site in Plender House, our dedicated administration building. Our Education and Training function has had to pivot from providing face-to-face training and offering conference centre facilities, to providing a programme or remote training to external healthcare providers.

Volunteer engagement during Covid-19

In early April 2020 the difficult decision was made to suspend all of our volunteer roles at hospice sites and in our shops. Our volunteers are integral to Pilgrims, and it has therefore been a priority to ensure that we did all we reasonably could to maintain communications and engagement with them during the Covid-19 pandemic. From the outset, the volunteers have received the Acting Chief Executive's weekly and, once lockdown was starting to ease, bi-weekly workforce updates.

Weekly messages have also been sent to the volunteers by the Volunteer Services Manager, often accompanying the CEO's message. They have also been sent links to appropriate health and wellbeing websites and made aware of the contact details of local and national agencies which could provide them with support if needed during the outbreak. All the line managers of volunteers have also been keeping in regular contact with their own teams of volunteers, particularly those known to live alone, just to have a chat and check-up on their welfare.

In order to maintain some semblance of normality, an adapted version of the Spring edition of the newsletter for volunteers was also produced and sent to volunteers in order to keep them up to date with some broader, non-Covid related organisational topics. The volunteers have also been a core part of the "be a stay at home hero" and Matching Hearts campaigns, both of which many of the volunteers have enthusiastically supported. We also recognised the contribution of our volunteers and the difference they make during national Volunteers' Week in early June, under the theme of "We Miss You" and emphasised how much we look forward to seeing them back, with postings on our website and on social media.

As we have started to develop our Restore Plans, we felt it was important to garner the opinions of our volunteers about returning to volunteering, including asking for their suggestions about mitigations we should consider which would help them to feel safe and secure in their volunteer roles. More than 400 volunteers responded to the survey and the data gathered will be used to shape and inform our return to volunteering plans. Feedback from our volunteers about the level of communication with them during the Covid-19 outbreak has been overwhelmingly positive.

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Income generation during the pandemic

The immediate impact that Covid-19 had on Income Generation was that Pilgrims closed all of its shops on Tuesday 24 March 2020. We furloughed 41 of our 47 strong Retail Team. Six members of the team remained in post to run our eBay office, ensure that the Retail estate remained in good order and to undertake planned maintenance. As we have progressed through 2020 we have had to cancel our events.

Pilgrims reopened 4 of its 32 shops and its two Warehouses on Monday 29 June 2020. Considerable work went into ensuring that our volunteers, staff and customers were able to work and shop in safe environments. By 31 October 2020, 30 of our 31 shops were open; the exception was due to space restrictions within one shop. On Saturday the 31 October 2020 the Government announced a second lock down and our shops were closed on 5 November 2020. Subject to the lockdown ending on 2 December 2020 we have reopened 30 of our shops on 3 December 2020.

Pilgrims Lottery has fared well during the pandemic and this is partly because the Lottery Team were not paying recruitment costs for new members. However, player numbers started to drop off, because many of our committed players were elderly and some were facing financial hardship. We were also not able visit our cash players at home to collect their membership fees; wherever possible the team contacted members by phone to take payments. As a result of their excellent customer care that the team gave to the Lottery Members they have been able to maintain their income.

Our Individual Giving team reacted quickly when the Covid-19 lockdown was announced at the end of March; they launched our 'Still here; still caring' appeal, which raised significant funds for our organisation. As a result, the Individual Giving team were 60% up by the end of May. In June we ran our annual Sunflowers Memories Appeal; instead of inviting donors into the Hospices to share memories with us and each other, we took the essence of Sunflower Memories and created a film that was launched on 25th June. It was our most successful Sunflower Memories appeal to date. The same approach has also been taken for our December 2020 Trees of Love campaign and it has been encouraging to see how many supporters and volunteers have positively engaged with us during the making of both films.

Our Community and Events Team have been severely affected by the Covid-19 lockdown. We closed our on-site hospice Community Fundraising Offices, furloughed our Community Fundraising Officers who comprise 44% of the team and cancelled our summer events. Covid-19 has also impacted on our supporters' ability to run their own events on behalf of Pilgrims. One positive is that the Events Team have been able to focus their activities on creating and launching digital fundraising events to generate income and also to keep our supporters engaged. During August our Community Fundraising Officers returned to work, on a phased basis, in order to support their planned Christmas community and festive digital fundraising activities.

In preparation for 2021, Community Fundraising & Events have undertaken a considerable amount of work to ensure that our key events are Covid-safe and subject to the Government restrictions and guidance, a full calendar of events is planned throughout 2021.

Financial Sustainability during the Covid-19 pandemic

As noted above, when the lockdown was announced in late March, it had a substantial impact on Pilgrims' income generation capability, with closure of all of its shops and the cancellation of much of the fundraising programme.

The Board and the management team moved swiftly to stabilise the charity's cash position, by immediately applying for several of the Government's financial support schemes, including the staff furlough scheme, the Retail Grant Scheme and the business rates holiday. An emergency appeal was announced and was successful in securing £150,000 in donations. Other fundraising programmes were devised and launched based on virtual platforms. Applications were made to certain trusts and foundations offering grants for hospices and other healthcare charities. Activities that were not essential in delivering patient care were curtailed where possible. The proposed capital project for the refurbishment of the Thanet hospice was postponed indefinitely in order to reduce expenditure in the year. Increasing investor anxiety in the weeks leading up to the announcement of the lockdown and actions being taken in Europe and other developed

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countries, had resulted in substantial falls in world markets, which impacted the Pilgrims investment portfolios during February and March. Trustees were therefore determined that recourse to Pilgrims investment portfolios to maintain cash flow should be delayed as long as possible so as not to lock in the losses.

The 2020-21 budget was reviewed and revised to take account of the impact of Covid-19 on income generation. Several scenarios were explored with different dates for the easing of the lockdown. A monthly cash flow forecast was calculated on the back of the different budget scenarios and reviewed on a regular basis by the Finance Committee, following updates with actual cash movements over the months. Projections on the effect of the different scenarios on Pilgrims' reserves were prepared for 2020-21 and 2021-22, which again were reviewed by the Finance Committee. The Finance team maintained a daily bank balance to ensure working capital was maintained at an adequate level on a day-to-day basis.

Negotiations with the local CCG secured funding for the provision by Pilgrims of additional beds across the three hospice sites, during the first three months of the new financial year, in order to support the local NHS hospitals manage the pressures caused by the pandemic during that period.

In response to the impact of the lockdown on the hospice sector's ability to raise income, in April, Hospice UK secured funding from NHS England, on behalf of the sector, in order that hospices could maintain their patient capacity so as to provide support to the NHS during the pandemic. The grant funding was initially for three months from April to June, and in order to secure the grant funding, Pilgrims was required to report its daily capacity to NHSE and provide Hospice UK with a monthly financial return. Negotiations had been ongoing during the year between Hospice UK and NHS England to extend the funding for the remainder of the year. At the time of writing, it was announced that funding had been secured, but the details of the level of the grant funding to Pilgrims had not been confirmed.

As part of the Restore, Recover, Rebuild Plan, and in preparation for the easing of the lockdown, the Retail team devised an action plan for gradual shop opening over the summer of 2020, so that by 1 September 2020, all but one of the shops would be open and would be Covid-19 secure.

Overall the actions taken enabled Pilgrims to maintain a stable, positive cash position during the first six months of the new financial year. This provided a sound start to 2020-21 and offered assurance to the Board that Pilgrims had adequate liquid reserves to finance its activities for the remainder of the year and into 2021-22. In the light of this, the trustees were confident in preparing the 2019-20 accounts on a going concern basis.

PLANS FOR FUTURE PERIODS

What next - Our future clinical strategy:

We constantly strive to ensure our services meet the needs of the local adult population facing the challenges of a life limiting illness. We are on track with our long term plan and in January 2020 updated our long term plan to take account of our aspirations to utilise our expert skills and experience in end of life care to work beyond the hospice walls and make our services more accessible to those that need them. We have taken a "societal change" approach to revising our business strategy that is based around four key areas of work "THINK, TALK, ACT, Be".

We know that wanting to feel "safe" and "in control" is particularly important to people in their final year of life. They want to know what will happen to them and their loved ones and they want to be able to make plans so that whatever happens their wishes will be respected. However, these conversations are difficult to have and clear care plans are not put in place. We will support, train and facilitate workshops with GP's and other healthcare professionals so that they can have the right conversations and engage the right support at the right time for their patients.

We will work with GP's to identify patients proactively who may benefit from an opportunity to join us in a non-clinical setting and whereby we can signpost what help and services may be available to them and what they need to think about so that they can start planning.

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Our TALK phase is our Therapy Centre activity which offers a wide range of services to people who may need access to therapy services such as breathlessness clinics, and physiotherapy services. Our ACT phase will deliver the hands on intensive support that we our patients will require in their last 10 to 12 weeks of life. Finally our Be phase will offer our well established Stepping Stones bereavement services will be accessible to those across east Kent. Our expert volunteers are critical to delivering this service to ensure it remains accessible and sustainable.

The Covid-19 pandemic has truly shone a light on the need for people to talk about death and dying, to have clear plans in place and to access care that can help people live well until the very last moment of their life. We have worked tirelessly over recent months sharing our expertise with our colleagues across health and social care and this experience has given traction to the implementation of our long term strategy. Our Covid-19 Restore, Recover and Rebuild plan takes account of our strategic aspirations and our recent experience to transform services so that as many people as possible achieve the care and death they would wish for at the end of their life.

Restore, Recover, Rebuild plan

Pilgrims hospices has instituted our organisation Restore, Recover, Rebuild plan, which provides a roadmap as we review our operations and look to restore our services, establishing our "New Normal" following Covid-19.

The Restore, Recover, Rebuild plan is categorised by functional sections. The entire Executive Management Team have input into the plan, identifying key functional milestones for their respective areas.

The plan has been divided into four key stages:

Stage One:-	June – August 2020
Stage Two:-	September – December 2020
Stage Three:-	January – March 2021
Stage Four:-	April 2021 onwards

Timescales are flexible and are expected to develop over time as the national picture becomes clearer with the potential for additional phases to be developed.

Thanet Hospice Refurbishment

The project for the refurbishment of our hospice in Thanet has been delayed while we assess the impact of Covid-19. We know that the work is still important as the building is nearly 30 years old and has the layout and features of a typical NHS facility. Since its opening, we have cared for thousands of patients and families who have had to face the challenges of a life limiting illness. The demand for our services is continuing to grow and the type of care we need to provide has continued to change, including the recent lessons that we are learning from the Covid-19 pandemic. There was a time when hospice care was something that came at the very end of life, 'a safe place for the last days'. We now have families who come to us in the last year of life and we work with them to ensure they are empowered to live life as fully as possible, make many memories and have some control over how their last days will be. To do this effectively, we need a facility that helps and supports what we are aiming to achieve. We want to create a space that is homely, with lots of natural light to make it feel welcoming and comfortable.

We are developing our plans and ideas, but the full scope of the refurbishment will depend on our ability to raise funds. As always, we will need the local community to support us in delivering this exciting and important project.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

Canterbury New Build

As previously reported, the charity has been offered land in Thanington by the Tory Family Foundation and Pentland Homes, on which property developers will build a new purpose built hospice for Canterbury. We continue to work in partnership in developing the plans for this. We know that the building is currently at the planning consent stage. We will work with the developer to understand the implications of the Covid-19 pandemic on timescales for the project.

FINANCIAL RESULTS

The Statement of Financial Activities for the year is set out on page 31 of the financial statements. A summary of the financial results and the work of the charity is set out below. Notes 25a to 25b, which support the Statement of Financial Activities on pages 51-52, show how funds have been received and applied during the year.

During the year under review, the net movement in funds was a deficit of £1,710,000 after investment gains of £343,000 compared to a deficit of £240,000 after investment gains of £169,000 in the previous year.

Our income generation activities from donations raised £2,857,000 (2019: £3,862,000) representing a decrease of £1,005,000 compared to 2018-19. This decrease was largely the result of legacy income being substantially lower than in 2018-19. The fall in legacy income was contributed to by administrative problems at Her Majesty's Courts and Tribunal Service (HMCTS), following a re-organisation in the way it handled and referred probate applications. These problems created a substantial backlog in probate applications and reduced the number released to executors. The situation was further compounded by delays across the probate approval process caused by the Covid-19 pandemic. Fundraising income performed well, but at £1,147,000 was £327,000 lower than in the previous year. However, 2018-19 was an exceptional year with several very successful events, most notably the Snow Dogs event, which took place in Ashford and raised £183,000.

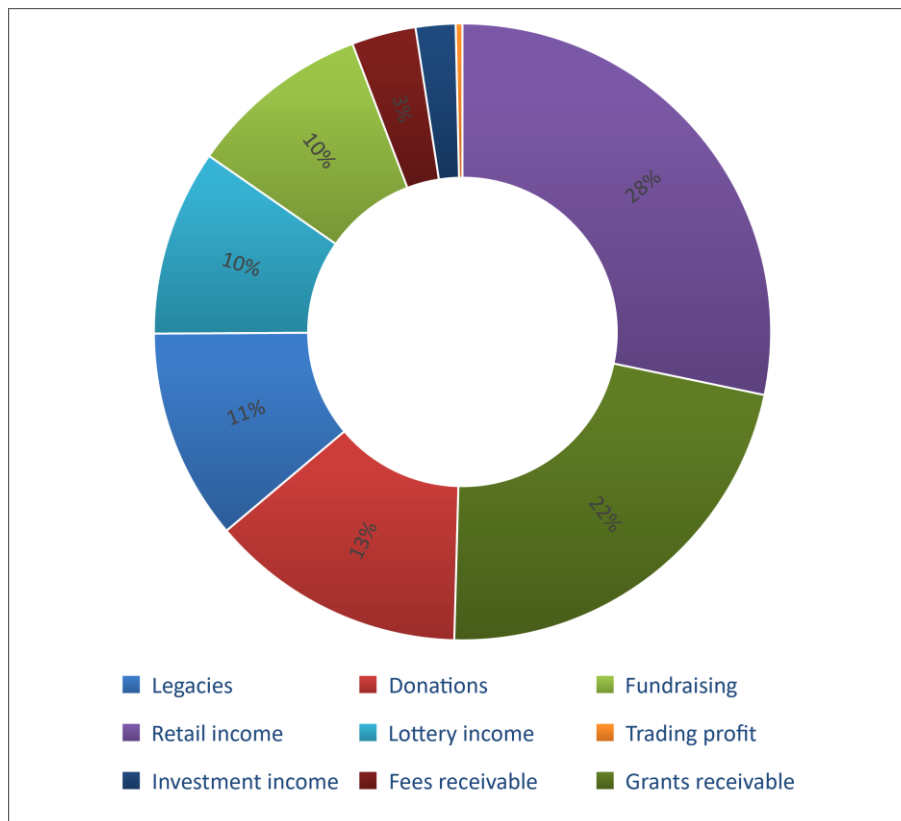
The Retail operation (excluding the trading subsidiary) experienced difficult trading conditions in the final quarter of the year, The operation delivered a net profit of £1,147,000 on income of £3,404,000 compared to a net profit of £1,498,000 on income of £3,727,000 in the previous year. This represented a 23% decrease in profit.

The lottery remained strong with a turnover in excess of £1.1 million and produced a net profit of £624,000, a reduction of £22,000 on the previous year. However, player numbers continued to increase, with 22,000 active members.

The grant from the local NHS Clinical Commissioning Groups (CCGs) under a service funding agreement amounted to £2,639,000, approximately 25% of total running costs leaving 75% of revenue funding to be raised from voluntary sources. This grant has remained unchanged since 2011 and given the increasing costs of paying medical and clinical staff in line with NHS remuneration levels, represents a falling contribution to our costs.

Set alongside is a chart showing how diverse our sources of income are, but also demonstrating that in 2019-20 retail income comprised the largest percentage.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2020



Overall expenditure fell by 2%, from £14,351,000 to £14,039,000. The reduction was uniform across patient care and fundraising costs, despite there being a significant increase in referrals between the years, from 2,530 patients to 3,430, which demonstrated that Pilgrims was able to maintain tight control on costs.

Investment gains during the year amounted to £343,000. This increase was primarily the result of a change in the estimate of revaluing the investment properties, with a reduction in a discount rate applied to the estimated value. The investment portfolio, however, experienced a substantial loss of £410,000 as a result of turmoil on world markets during February and March, caused by the effect on the global economy of the Covid-19 pandemic.

Reserves Policy

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

In considering the reserves position, the trustees review:

- that provision of this type of care involves ongoing running costs, currently in the region of £10,300,000 per year, just under three-quarters of which has to be derived from voluntary sources;
- over 80% of this amount is directly invested in providing these services;
- there is a requirement to provide assurance to those who give so generously that the trustees will be able to continue to provide patient care to meet the ever more demanding needs of the community;
- the income generation activity has an annual cost to the charity of approximately £3,700,000 and accordingly we need to generate approximately £14,000,000 per year.

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

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

The charity has the following categories of reserves:

Designated Reserves

'Fixed Assets in Use', which holds the fixed assets used by Pilgrims Hospices in East Kent to provide the facilities for the patients, their families and carers.

Restricted Reserves

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

Endowment Reserves

These represent capital sums which are donated under the restriction that they are invested and that only the income arising is available for expenditure in accordance with the donor's directions.

Revaluation Reserves

These represent the accumulated gains in revaluation of investment properties.

Free Reserves

These are retained by the trustees to give assurance to those who use the services of Pilgrims Hospices in East Kent and those who give of their time and money, that the trustees will be able to sustain their commitment to provide specialist palliative care services to patients and support to their families and carers. The reserves are set at a level to withstand any short-term setback, whether operational, in the investment markets, or in key sources of income such as legacies. The free reserves at 31 March 2020 stood at £9,354,000 (2019: £10,613,000) which include £6,930,000 (2019: £7,355,000) invested in quoted investments but excludes £2,580,000 (2019: £1,892,000) in investment properties. The trustees have agreed that the total of free investments, i.e. those that are not used in the day to day operation of the charity, must not be less than £6,000,000, sufficient to cover around five months operating expenditure, and in light of the uncertainties as a result of the pandemic, the trustees consider this to be satisfactory.

The trustees consider that, as the charity's income is derived from many different sources, the current level of reserves, which are maintained to avoid the risk of having to reduce the services provided in any short term downturn, is appropriate and should allow the trustees and executive team to plan for significant capital expenditure with regard to all three inpatient units as necessary in order to maintain a high standard of patient care.

INVESTMENT POLICY AND PERFORMANCE

At the end of the year there was £2,280,000 (2019: £3,360,000) available in cash and a high level of debtors which are monitored; at current financial levels of expenditure the charity requires just under £1,200,000 per month to cover running costs, including fundraising costs. However, when the need arises, the charity is able to liquidate medium term investments very quickly. The balance of the reserves is held in a portfolio comprising properties, government and other fixed interest securities and equities. The trustees recognise the need to spread the investment risk in managing the reserves.

The investment properties comprise residential properties that the charity has inherited or acquired and which the trustees retain, having taken appropriate advice, as they provide potential for capital growth and income. The trustees are confident that, having taken advice, the carrying value of the properties at £2,580,000, a surplus of £1,413,000 over acquisition value, is an accurate reflection of their market value as at 31 March 2020. During the year, Pilgrims sold one of its investment properties, realising a net profit of £18,000, after sale costs, over and above the property's historic cost.

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

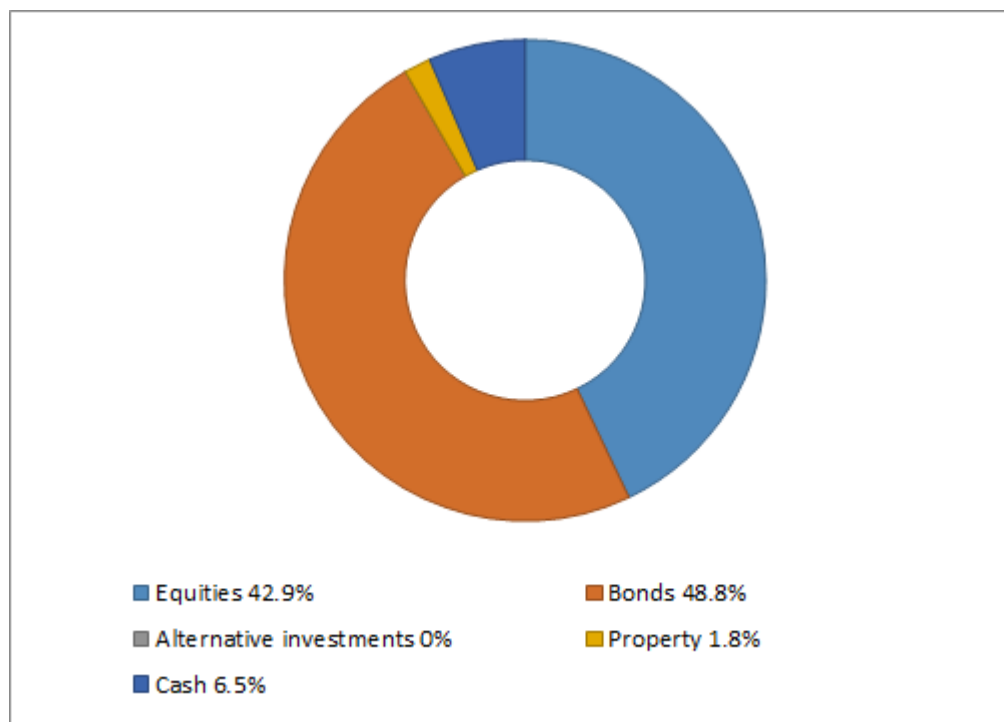
PILGRIMS HOSPICES IN EAST KENT
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

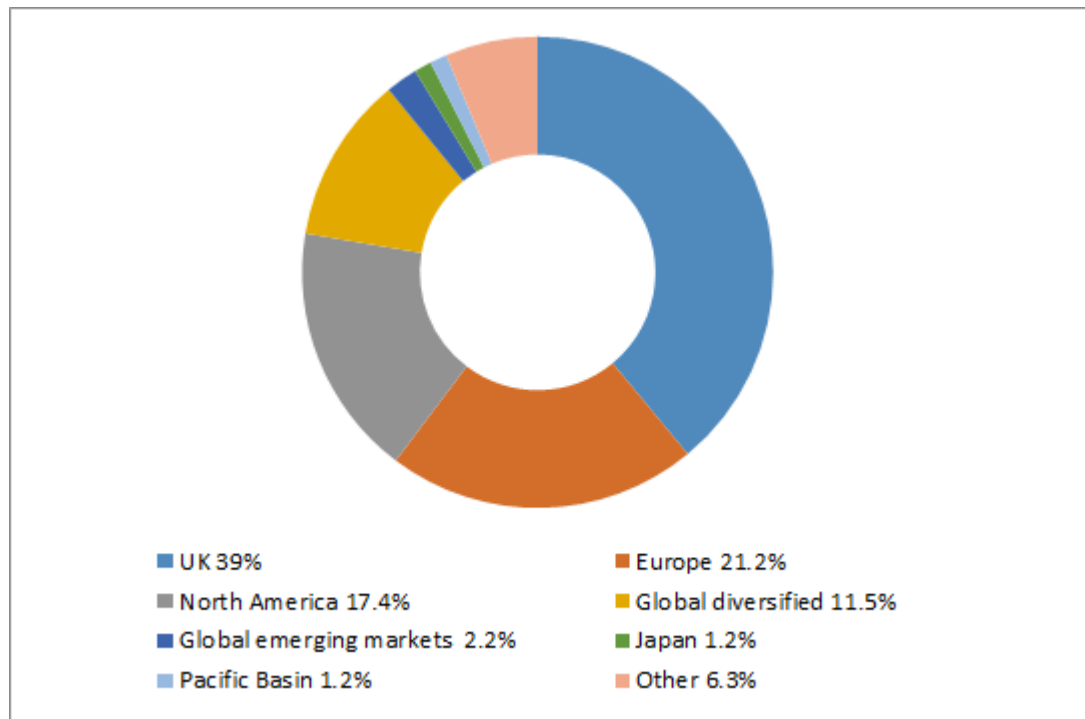
Coutts report that in the 12 month period to 31 March 2020 the weighted net return on the portfolio was -4%, compared to a return of 3% for the 12 months to 31 March 2019. In absolute terms, the portfolio declined in value by 6% over the year. This decline was primarily the result of the steep falls in world markets that occurred in February and March, driven by investors' concerns over the impact of the Covid-19. Until February, the portfolio had performed strongly and had increased in value as at the end of January by over £420,000. Although the reduction in value was substantial, the diversified nature of the portfolio reduced the impact of the decline which could have been much larger, given that the FTSE 100 declined by 26.5% in the same period. Since March 2020, markets have rallied and the portfolio has recovered the losses experienced in the final quarter of 2019-20.

The asset distribution of the investment portfolio as at 31 March 2020 is set out below:

Asset class distribution



Geographic distribution



STATEMENT OF DISCLOSURE TO THE AUDITORS

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

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

Charity Website

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

This report, including the Strategic Report, was approved by the trustees, in their capacity as company directors on 18 December 2020 and signed on behalf of the company by:

.....
Karen Warden, Chair

Opinion

We have audited the financial statements of Pilgrims Hospices in East Kent (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the group financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 group financial statements is not appropriate; or
- The trustees have not disclosed in the group 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, including the strategic report, other than the group financial statements and our auditor's report thereon. Our opinion on the group financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the group financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group

INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2020

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 group 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, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's or the parent charitable company's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

**INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)
18 December 2020
for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

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

Pilgrims Hospices in East Kent

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2020

	Note	Unrestricted £'000	Restricted £'000	Endowment £'000	2020 Total £'000	2019 Total £'000
Income from:						
Donations and legacies	3	2,164	693	-	2,857	3,862
Charitable activities	4	3,067	3	-	3,070	3,333
Other trading activities						
Fundraising income	5	5,808	-	-	5,808	6,423
Investments	6	251	-	-	251	328
Total income		11,290	696	-	11,986	13,946
Expenditure on:						
Raising funds						
Fundraising costs	7a	3,710	-	-	3,710	3,768
Investment management	7a	73	-	-	73	128
Charitable activities	7a	9,702	554	-	10,256	10,455
Total expenditure		13,485	554	-	14,039	14,351
Net (expenditure)/income before net gains on investments		(2,195)	142	-	(2,053)	(405)
Net gains on investments		343	-	-	343	165
Net (expenditure)/income for the year	9	(1,852)	142	-	(1,710)	(240)
Transfers between funds		-	-	-	-	-
Net movement in funds		(1,852)	142	-	(1,710)	(240)
Reconciliation of funds:						
Total funds brought forward		23,054	174	13	23,241	23,481
Total funds carried forward		21,202	316	13	21,531	23,241

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 25a to the financial statements.

Balance sheets

Company no. 2000560

As at 31 March 2020

	Note	The group		The charity	
		2020	2019	2020	2019
		£'000	£'000	£'000	£'000
Fixed assets:					
Tangible assets	14	9,268	9,289	9,268	9,289
Investment properties	15	2,580	1,892	2,580	1,892
Total tangible assets		<u>11,848</u>	<u>11,181</u>	<u>11,848</u>	<u>11,181</u>
Investments	16	6,943	7,368	6,943	7,368
		<u>18,791</u>	<u>18,549</u>	<u>18,791</u>	<u>18,549</u>
Current assets:					
Stock	19	14	26	6	6
Debtors	20	1,480	2,905	1,543	3,029
Cash at bank and in hand		2,280	3,360	2,206	3,284
		<u>3,774</u>	<u>6,291</u>	<u>3,755</u>	<u>6,319</u>
Liabilities:					
Creditors: amounts falling due within one year	21	(1,034)	(1,599)	(1,015)	(1,572)
Net current assets		<u>2,740</u>	<u>4,692</u>	<u>2,740</u>	<u>4,747</u>
Total net assets		<u>21,531</u>	<u>23,241</u>	<u>21,531</u>	<u>23,296</u>
Funds:	24a				
Endowment funds		13	13	13	13
Restricted income funds		316	174	316	174
Total endowment and restricted funds		<u>329</u>	<u>187</u>	<u>329</u>	<u>187</u>
Unrestricted income funds:					
Designated funds		9,268	9,289	9,268	9,289
Revaluation reserve		1,413	1,260	1,413	1,260
General funds		10,521	12,505	10,521	12,560
Total unrestricted funds		<u>21,202</u>	<u>23,054</u>	<u>21,202</u>	<u>23,109</u>
Total funds		<u>21,531</u>	<u>23,241</u>	<u>21,531</u>	<u>23,296</u>

Approved by the trustees on 18 December 2020 and signed on their behalf by

Karden Warden
Chair

Pilgrims Hospices in East Kent

Consolidated statement of cash flows

For the year ended 31 March 2020

	Note	2020 £'000	£'000	2019 £'000	£'000
Cash flows from operating activities					
Net (expenditure) for the reporting period (as per the statement of financial activities)		(1,710)		(240)	
Depreciation charges		307		273	
(Gains) on investments		(343)		(165)	
Dividends, interest and rent from investments		(251)		(328)	
Loss on the disposal of fixed assets		-		15	
Decrease/(increase) in stocks		12		(15)	
Decrease in debtors		1,425		450	
Increase/(decrease) in creditors		(565)		419	
Net cash (used in) / provided by operating activities			(1,125)		409
Cash flows from investing activities:					
Dividends, interest and rents from investments		251		328	
Purchase of fixed assets		(286)		(143)	
Proceeds from sale of investments		4,990		3,695	
Proceeds from sale of investment property		65		-	
Purchase of investments		(4,975)		(3,661)	
Net cash provided by investing activities			45		219
Change in cash and cash equivalents in the year			(1,080)		628
Cash and cash equivalents at the beginning of the year			3,360		2,732
Cash and cash equivalents at the end of the year	a		2,280		3,360
Analysis of cash and cash equivalents and of net debt					
		At 1 April 2019 £	Cash flows £	Other non- cash changes £	At 31 March 2020 £
Cash at bank and in hand		3,360	(1,080)	-	2,280
a Total cash and cash equivalents		3,360	(1,080)	-	2,280

Pilgrims Hospices in East Kent

Notes to the financial statements

For the year ended 31 March 2020

1 Accounting policies

a) Statutory information

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

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

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (March 2018) and the Companies Act 2006.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Pilgrims Hospices Trading Limited on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

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

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

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

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

d) Going concern

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

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

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

1 Accounting policies (continued)

Legacies are reviewed on a case-by-case basis. Where possible, legacies are credited to the accounts in the year of death where the Trustees are satisfied they are entitled to the money, there is certainty they will receive it and they are able to quantify their entitlement. Entitlement is the earlier of the Charity being notified of an impending distribution or the legacy being received. Accordingly, all legacies are accounted for when probate is granted at the best estimate of the entitlement less an estimate of the costs and having made allowance for a variation between the probate value and the final proceeds realised, excluding those that are subject to the interest of a life tenant.

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

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

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

h) Fund accounting

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

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

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

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of providing care and educational activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1 Accounting policies (continued)

j) Allocation of support costs

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

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

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

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity

	Support	Governance
● In-patient	67%	78%
● Community services	12%	14%
● Counselling	4%	5%
● Information and education	2%	2%
● Governance	14%	-

k) Operating leases

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

l) Tangible fixed assets

Items of equipment are capitalised at cost, including any incidental expenses of acquisition, where the purchase price exceeds £2,500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Any shortfalls are recognised as impairment losses in the Statement of Financial Activities.

Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

● Freehold land and buildings	50 years
● Long leasehold land and buildings	50 years
● Motor vehicles	4 years
● Fixtures and fittings	4-5 years
● Equipment	5-10 years

m) Investment properties

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

1 Accounting policies (continued)

n) Listed investments

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

o) Investments in subsidiaries

Investments in subsidiaries are at cost.

p) Stocks

Stocks consist of purchased goods for resale and are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks. Donated items of stock, held for distribution or resale, are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

q) Debtors

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

s) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

t) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

u) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

v) Pensions

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

Baptist Pension Scheme

The Charity also participates in the Baptist Pension Scheme (the Plan). The Plan is funded and is not contracted out of the state scheme. It is a multi-employer pension plan and it is not possible, in the normal course of events, to identify, on a reasonable and consistent basis, the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the Plan, the accounting charge for the period under review represents the employer contribution payable. While the Plan is primarily a defined contribution scheme it has inherent guarantees that mean the Group may need to make further contributions to meet deficits.

1 Accounting policies (continued)

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up. The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt. Further details including the current buy-out debt amount are given in Note 27 as a liability.

NHS Pension

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

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

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

i) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2020, is based on valuation data as at 31 March 2019, updated to 31 March 2020 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

ii) Full actuarial (funding) valuation

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

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

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

Pilgrims Hospices in East Kent

Notes to the financial statements

For the year ended 31 March 2020

2 Detailed comparatives for the statement of financial activities

	Unrestricted £'000	Restricted £'000	Endowment £'000	2019 Total £'000
Income from:				
Donations and legacies	2,638	1,224	-	3,862
Charitable activities	2,933	400	-	3,333
Other trading activities				
Fundraising income	6,423	-	-	6,423
Investments	328	-	-	328
Total income	12,322	1,624	-	13,946
Expenditure on:				
Raising funds				
Fundraising costs	3,768	-	-	3,768
Investment management	128	-	-	128
Charitable activities	8,887	1,568	-	10,455
Total expenditure	12,783	1,568	-	14,351
Net (expenditure)/income before investment gains	(461)	56	-	(405)
Net gains on investments	165	-	-	165
Net (expenditure)/income before other recognised gains and losses	(296)	56	-	(240)
Net movement in funds	(296)	56	-	(240)
Total funds brought forward	23,350	118	13	23,481
Total funds carried forward	23,054	174	13	23,241

3 Income from donations and legacies

	Unrestricted £'000	Restricted £'000	2020 Total £'000	Unrestricted £'000	Restricted £'000	2019 Total £'000
Donations	1,293	233	1,526	1,066	221	1,287
Legacies	871	460	1,331	1,572	1,003	2,575
	2,164	693	2,857	2,638	1,224	3,862

At the balance sheet date, Pilgrims had received notice of £573,000 of reversionary legacies which may become receiveable in the future. These legacies are gifts of money or assets which only take effect subject to the prior right of a named person or persons to receive the benefit of those monies or assets, or income produced by them, during the person or persons lifetime. The gift then passes absolutely to Pilgrims as the "reversionary beneficiary" on the death of the named person or persons.

Pilgrims Hospices in East Kent

Notes to the financial statements

For the year ended 31 March 2020

4 Income from charitable activities

	Unrestricted £'000	Restricted £'000	2020 Total £'000	Unrestricted £'000	Restricted £'000	2019 Total £'000
Grants receivable						
Local Health Authority	2,639	–	2,639	2,383	400	2,783
Other grants	23	3	26	7	–	7
Total grants receivable	2,662	3	2,665	2,390	400	2,790
Fees receivable						
Medical fees	306	–	306	388	–	388
Ministers' fees	–	–	–	10	–	10
Course fees and hire of facilities	99	–	99	145	–	145
Total fees receivable	405	–	405	543	–	543
Total income from charitable activities	3,067	3	3,070	2,933	400	3,333

The Local Health Authority Grant is a grant from the local NHS Clinical Commissioning Groups (CCGs) awarded under a service funding agreement for the provision of specialist palliative and Hospice at Home care.

5 Income from fundraising

	2020 Total £'000	2019 Total £'000
General fundraising	71	292
Proceeds of events	1,076	1,182
Income from Retail	3,404	3,727
Income from Lottery	1,174	1,162
Trading sales (note 17)	83	61
	5,808	6,424

All income from fundraising activities is unrestricted.

6 Income from investments

	2020 Total £'000	2019 Total £'000
Investment properties	148	158
Listed investments	96	164
Interest receivable on cash deposits	7	6
	251	328

All income from investments is unrestricted.

Pilgrims Hospices in East Kent

Notes to the financial statements

For the year ended 31 March 2020

7a Analysis of expenditure (current year)

	Fundraising costs £'000	Investment management £'000	Charitable activities				2020 Total £'000	2019 Total £'000
			In-patient £'000	Community services £'000	Counselling £'000	Information and education £'000		
Direct costs								
Staff costs (note 10)	633	-	5,641	1,114	457	113	7,958	8,080
Staff agency costs	21	-	142	-	-	-	163	450
Food	-	-	70	-	-	-	70	82
Medical supplies	-	-	85	-	-	-	85	97
Laundry and cleaning	-	-	86	-	-	-	86	89
Heat, light and water	-	-	119	-	-	-	119	147
Repairs and maintenance	-	-	234	-	-	-	234	319
Postage, printing and stationery	59	-	38	-	-	-	97	24
Recruitment advertising and fees	-	-	18	-	-	-	18	10
Telephone	-	-	23	42	-	-	65	87
Insurance	-	-	-	-	-	-	-	39
Travel	-	-	62	96	1	3	162	131
Course fees and expenses	-	-	-	-	-	61	61	43
Professional books and journals	-	-	-	-	-	1	1	2
Costs of education centre	-	-	-	-	-	8	8	10
Prizes	213	-	-	-	-	-	213	213
Other costs	322	-	42	1	-	-	365	193
Trading company costs of sales	36	-	-	-	-	-	36	16
Publicity	11	-	-	-	-	1	12	86
Event costs	-	-	-	-	-	-	-	236
Investment property costs	-	42	-	-	-	-	42	93
Investment management fees	-	31	-	-	-	-	31	35
Depreciation	-	-	283	-	-	-	283	250
	1,295	73	6,843	1,253	458	187	10,108	10,732
Support costs (note 8a)	2,415	-	987	182	64	28	3,676	3,484
Governance costs (note 8a)	-	-	200	36	13	5	254	135
Total charity expenditure 2020	3,710	73	8,030	1,471	535	220	14,038	
Total charity expenditure 2019	3,768	128	8,073	1,585	469	328		14,351

7a Analysis of expenditure (prior year)

	Fundraising costs £'000	Investment management £'000	Charitable activities				2019 Total £'000
			In-patient £'000	Community services £'000	Counselling £'000	Information and education £'000	
Direct costs							
Staff costs (note 10)	657	-	5,565	1,264	386	208	8,080
Staff agency costs	6	-	413	2	10	19	450
Food	-	-	82	-	-	-	82
Medical supplies	-	-	97	-	-	-	97
Laundry and cleaning	-	-	89	-	-	-	89
Heat, light and water	-	-	147	-	-	-	147
Repairs and maintenance	-	-	319	-	-	-	319
Postage, printing and stationery	-	-	24	-	-	-	24
Recruitment advertising and fees	-	-	10	-	-	-	10
Telephone	-	-	53	34	-	-	87
Insurance	-	-	31	8	-	-	39
Travel	-	-	64	57	9	1	131
Course fees and expenses	-	-	-	-	-	43	43
Professional books and journals	-	-	-	-	-	2	2
Costs of education centre	-	-	-	-	-	10	10
Prizes	213	-	-	-	-	-	213
Other costs	193	-	-	-	-	-	193
Trading company costs of sales	16	-	-	-	-	-	16
Publicity	86	-	-	-	-	-	86
Event costs	236	-	-	-	-	-	236
Investment property costs	-	93	-	-	-	-	93
Investment management fees	-	35	-	-	-	-	35
Depreciation	-	-	250	-	-	-	250
	1,407	128	7,144	1,365	405	283	10,732
Support costs	2,361	-	824	199	59	41	3,484
Governance costs	-	-	105	21	5	4	135
Total charity expenditure	3,768	128	8,073	1,585	469	328	14,351

Pilgrims Hospices in East Kent

Notes to the financial statements

For the year ended 31 March 2020

8a Support and governance costs (current year)

	Charitable activities						2020 Total £'000	2019 Total £'000
	Fundraising costs £'000	In-patient £'000	Community services £'000	Counselling £'000	Information and education £'000	Governance £'000		
Staff costs	1,041	715	131	48	20	154	2,109	1,614
Staff agency costs	141	20	4	1	1	4	171	283
Repairs and maintenance	114	2	-	-	-	-	116	69
Postage, print and stationery	-	22	4	1	1	5	33	47
Telephone	-	-	-	-	-	-	-	-
Travel	-	1	-	-	-	-	1	17
Occupational health	-	6	1	-	-	1	8	11
Life assurance	-	20	4	1	1	4	30	69
Computer costs	-	115	21	8	3	25	172	157
Bank charges	-	14	3	1	-	3	21	32
Auditors' remuneration	1	-	-	-	-	43	44	37
Professional and consultancy fees	-	15	3	1	-	3	22	18
Other shops and lottery costs	601	-	-	-	-	-	601	591
Rent and rates	492	-	-	-	-	-	492	620
Partial exemption adjustment	-	20	4	1	1	4	30	(4)
Sundry	-	37	7	2	1	8	55	35
Depreciation	25	-	-	-	-	-	25	23
	2,415	987	182	64	28	254	3,930	3,619
Allocation of governance	-	200	36	13	5	(254)		
Total support and governance expenditure 2020	2,415	1,187	218	77	33	-		3,619

Pilgrims Hospices in East Kent

Notes to the financial statements

For the year ended 31 March 2020

8b Support and governance costs (prior year)

	Fundraising costs £'000	In-patient £'000	Community services £'000	Counselling £'000	Information and education £'000	Governance £'000	2019 Total £'000
Staff costs	884	472	113	33	24	88	1,614
Staff agency costs	175	84	16	5	3	-	283
Repairs and maintenance	67	2	-	-	-	-	69
Postage, print and stationery	-	33	6	2	1	5	47
Telephone	-	-	-	-	-	-	-
Travel	-	12	2	1	-	2	17
Occupational health	-	9	1	-	-	1	11
Life assurance	-	47	9	3	2	8	69
Computer costs	-	107	22	6	5	17	157
Bank charges	-	22	4	1	1	4	32
Auditors' remuneration	1	25	4	1	1	5	37
Professional and consultancy fees	-	-	10	4	2	2	18
Other shops and lottery costs	591	-	-	-	-	-	591
Rent and rates	620	-	-	-	-	-	620
Partial exemption adjustment	-	(5)	1	-	-	-	(4)
Sundry	-	16	11	3	2	3	35
Depreciation	23	-	-	-	-	-	23
	2,361	824	199	59	41	135	3,619
Allocation of governance	-	105	21	5	4	(135)	
Total expenditure 2019	2,361	929	220	64	45	-	

Notes to the financial statements

For the year ended 31 March 2020

9 Net (expenditure)/income for the year

This is stated after charging / (crediting):

	2020 £'000	2019 £'000
Depreciation	307	273
Operating lease rentals:		
Property	432	558
Other	67	62
Operating lease rentals receivable:		
Property	(148)	(158)
Auditor's remuneration (excluding VAT):		
Audit of charity – current year	22	24
Audit of charity – under-accrual in previous year	19	–
Audit of trading subsidiary	2	3
Tax compliance	–	5
Other services	–	3
	<u> </u>	<u> </u>

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

Staff costs were as follows:

	2020 £'000	2019 £'000
Salaries and wages	8,564	8,334
Redundancy and termination costs	6	–
Social security costs	770	717
Employer's contribution to defined contribution pension schemes	727	643
Operating costs of defined benefit pension schemes	–	–
	<u>10,067</u>	<u>9,694</u>
Allocated to:		
Direct costs (note 7)	7,958	8,080
Support and governance (note 8)	2,109	1,614
	<u>10,067</u>	<u>9,694</u>

The redundancy and termination costs were settled and paid at the balance sheet date.

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

	2020 No.	2019 No.
£60,000 – £69,999	5	3
£70,000 – £79,999	3	1
£80,000 – £89,999	–	–
£90,000 – £99,999	1	–
£100,000 – £109,999	–	1
	<u> </u>	<u> </u>

Figures for 2019 above and in the key management personnel disclosures below have been restated to remove payments made to consultants who are not on the payroll of the charity and do not form part of the key management team.

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £554,153 (2019: £545,645).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2019: £nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £383 (2019: £383) incurred by 1 (2019: 2) trustee(s) relating to attendance at meetings of the trustees.

11 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 399 (2019: 392).

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

	Headcount		Full time equivalent	
	2020 No.	2019 No.	2020 No.	2019 No.
Fundraising	28.0	24.0	22.0	22.0
Trading	47.0	46.0	44.0	43.0
In-patient	235.0	231.0	147.0	141.0
Community services	44.0	44.0	35.0	39.0
Counselling	15.0	15.0	11.0	11.0
Information and education	12.0	12.0	6.0	7.0
Administration and support	18.0	20.0	20.0	20.0
	399.0	392.0	285.0	283.0

12 Related party transactions

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

Pilgrims Hospices Trading Limited incurred management charges payable to the Charity of £2,267 (2019: £1,713). In addition, the Charity purchased goods from Pilgrims Hospices Trading of £nil (2019: £4,244 restated). Pilgrims Hospices Trading covenanted its profit of £41,382 (2019: £33.466) to the Charity.

13 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Pilgrims Hospices Trading Limited distributes under Gift Aid available profits to the parent charity. Its charge to corporation tax in the year was:

	2020 £'000	2019 £'000
UK corporation tax at 19%	-	9

14 Tangible fixed assets

The group and charity	Freehold land and buildings £'000	Long leasehold land and buildings £'000	Furniture and furnishings £'000	Equipment £'000	Motor vehicles £'000	Total £'000
Cost						
At the start of the year	10,786	2,657	287	746	66	14,542
Additions in year	74	14	31	140	27	286
Disposals in year	-	-	-	(15)	(11)	(26)
At the end of the year	10,860	2,671	318	871	82	14,802
Depreciation						
At the start of the year	3,111	1,206	287	589	60	5,253
Charge for the year	172	58	1	69	7	307
Eliminated on disposal	-	-	-	(15)	(11)	(26)
At the end of the year	3,283	1,264	288	643	56	5,534
Net book value						
At the end of the year	7,577	1,407	30	228	26	9,268
At the start of the year	7,675	1,451	-	157	6	9,289

Land with a value of £2 million (2019: £2 million) is included within freehold property and not depreciated.

All of the above assets are used for charitable purposes.

15 Investment properties

The group and charity	2020 £'000	2019 £'000
Fair value at the start of the year	1,892	1,834
Additions	-	-
Disposals	(65)	-
Revaluation during the year	753	58
Fair value at the end of the year	2,580	1,892
Historic cost	1,167	1,207

The properties were last valued in February 2020 by Rob Bryer, MARLA MNAEA from The Good Estate Agent.

~~The fair value of investment properties is the Trustees' best estimate based on Land Registry indices applicable for the local authorities in east Kent in which various properties are located.~~

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

Notes to the financial statements

For the year ended 31 March 2020

16 Listed investments

The group and charity	Listed £'000	Other £'000	2020 £'000	Listed £'000	Other £'000	2019 £'000
Fair value at the start of the year	7,207	161	7,368	7,098	197	7,295
Additions at cost	4,684	291	4,975	3,661	-	3,661
Disposal proceeds	(4,990)	-	(4,990)	(3,659)	(36)	(3,695)
Net (loss)/gain on change in fair value	(410)	-	(410)	107	-	107
Fair value at the end of the year	6,491	452	6,943	7,207	161	7,368

Investments comprise:

	2020 £'000	2019 £'000
Fixed interest	3,390	2,966
Managed funds (equity based)	3,101	3,631
Alternative investment funds	-	610
Cash	452	161
All fixed assets are held in the UK.	6,943	7,368

Pilgrims Hospices in East Kent

Notes to the financial statements

For the year ended 31 March 2020

17 Subsidiary undertakings

The charity owns the whole of the issued ordinary share capital (2 ordinary shares of £1 each) of Pilgrims Hospices Trading Limited, a company registered in England. The company number is 07993259. The registered office address is 56 London Road, Canterbury, Kent CT2 8JA.

The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are distributed under Gift Aid to the parent charity.

The charity also owns the whole of the issued ordinary share capital of Hospice Shops Limited (company registration number 01623758) (3 ordinary shares of £1 each) and Pilgrims Hospice Lottery Limited (company registration number 03130167) (2 ordinary shares of £1 each). Both are incorporated in England and Wales, and the registered office is 56 London Road, Canterbury, Kent CT2 8JA.

Hospice Shops Limited and Pilgrims Hospice Lottery Limited are dormant and did not trade during the year.

The Acting Chair of Pilgrims Hospices in East Kent, Karen Warden, is also the director of all the subsidiary companies.

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

	2020 £'000	2019 £'000
Turnover	83	61
Cost of sales	(36)	(16)
Gross profit/(loss)	47	45
Administrative expenses	(4)	(2)
Management charge payable to parent undertaking	(2)	-
Profit on ordinary activities before taxation	41	43
Taxation on profit on ordinary activities	-	(9)
Profit for the financial year	41	34
Retained earnings		
Total retained earnings brought forward	-	-
Profit for the financial year	41	34
Distribution under Gift Aid to parent charity	(41)	(34)
Total retained earnings carried forward	-	-
The aggregate of the assets, liabilities and reserves was:		
Assets	82	97
Liabilities	(82)	(97)
Reserves	-	-

Amounts owed to/from the parent undertaking are shown in note 20.

18 Parent charity

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

	2020 £'000	2019 £'000
Gross income	11,946	13,946
Result for the year	(1,765)	(240)

Pilgrims Hospices in East Kent

Notes to the financial statements

For the year ended 31 March 2020

19 Stock

	The group		The charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Finished goods	14	26	6	6

20 Debtors

	The group		The charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Trade debtors	344	668	344	668
Other debtors	137	372	137	372
Amounts due from group undertakings	-	-	63	124
Prepayments and other accrued income	137	192	137	192
Accrued legacy income	862	1,673	862	1,673
	1,480	2,905	1,543	3,029

21 Creditors: amounts falling due within one year

	The group		The charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Trade creditors	198	635	195	635
Corporation tax	-	9	-	-
Other taxation and social security	196	38	183	30
Other creditors	26	15	26	7
Accruals	259	690	256	688
Deferred income (note 22)	355	212	355	212
	1,034	1,599	1,015	1,572

22 Deferred income

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

	The group		The charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Balance at the beginning of the year	212	297	212	297
Amount released to income in the year	355	212	355	212
Amount deferred in the year	(212)	(297)	(212)	(297)
Balance at the end of the year	355	212	355	212

23 Financial instruments

	2020	2019
	£'000	£'000
Financial assets measured at fair value through profit and loss		
Investment properties	2,580	1,892
Listed Investments	6,943	7,368
	9,523	9,260

Pilgrims Hospices in East Kent

Notes to the financial statements

For the year ended 31 March 2020

24a Analysis of group net assets between funds (current year)

	General unrestricted £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Tangible fixed assets	-	9,268	-	-	9,268
Investment properties	2,580	-	-	-	2,580
Investments	6,930	-	-	13	6,943
Net current assets	2,424	-	316	-	2,740
Net assets at 31 March 2020	11,934	9,268	316	13	21,531

24b Analysis of group net assets between funds (prior year)

	General unrestricted £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Tangible fixed assets	-	9,289	-	-	9,289
Investment properties	1,892	-	-	-	1,892
Investments	7,355	-	-	13	7,368
Net current assets	3,258	-	174	-	3,432
Net assets at 31 March 2019	12,505	9,289	174	13	21,981

25a Movements in funds (current year)

	At 1 April 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	Net assets at 31 March £'000
Endowment funds:						
Permanent endowment fund	13	-	-	-	-	13
Restricted funds:						
Ashford Hospice	36	290	(222)	5	-	109
Bedside Funds	1	14	-	(1)	-	14
Canterbury Hospice	21	193	(192)	(2)	-	20
Thanet Hospice	23	135	(122)	(10)	-	26
Hospice at Home	-	1	(1)	-	-	-
Virtual reality headsets	-	14	-	-	-	14
Sundry projects	93	49	(17)	8	-	133
Total restricted funds	174	696	(554)	-	-	316
Unrestricted funds:						
Designated funds:						
Fixed asset fund	9,289	-	-	(21)	-	9,268
Total designated funds	9,289	-	-	(21)	-	9,268
Revaluation reserve	1,260	-	-	(600)	753	1,413
General funds	12,505	11,290	(13,485)	621	(410)	10,521
Total unrestricted funds	23,054	11,290	(13,485)	-	343	21,202
Total funds	23,241	11,986	(14,039)	-	343	21,531

The narrative to explain the purpose of each fund is given at the foot of the note below.

Pilgrims Hospices in East Kent

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25b Movements in funds (prior year)

	At 1 April 2018 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	At 1 April 2019 £'000
Endowment funds:						
Permanent endowment fund	13	-	-	-	-	13
Restricted funds:						
Ashford Hospice	11	340	(315)	-	-	36
Bedside Fund	4	10	(13)	-	-	1
Canterbury Hospice	14	432	(425)	-	-	21
Thanet Hospice	13	362	(352)	-	-	23
Hospice at Home	-	401	(401)	-	-	-
Sundry projects	76	79	(62)	-	-	93
Total restricted funds	118	1,624	(1,568)	-	-	174
Unrestricted funds:						
Designated funds:						
Fixed asset fund	9,434	-	-	(145)	-	9,289
Total designated funds	9,434	-	-	(145)	-	9,289
Revaluation reserve	1,095	-	-	-	165	1,260
General funds	12,821	12,322	(12,783)	145	-	12,505
Total unrestricted funds	23,350	12,322	(12,783)	-	165	23,054
Total funds	23,481	13,946	(14,351)	-	165	23,241

Purpose of endowment fund

This represents part of the total assets of the Canterbury Dispensary Fund, received in the year to 31 March 2000. The capital is invested in a unit trust.

Purposes of restricted funds

These represent donations, legacies and grants received for specific purposes. Those funds associated with the three hospice sites are for projects to be undertaken for the improvement of patient care at those specific sites.

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

The **Virtual reality headsets fund** will enable the provision of Virtual headsets on each inpatient unit that can be utilised as diversional Therapy, reducing anxiety and pain in patients.

Included in **Sundry projects** is a legacy specifically for the funding of training for health and social care professionals, with a revised programme planned for 2020, as well as a grant for a pilot scheme with certain east Kent GP practices to help identify patients that would benefit from early referral to Pilgrims services and expertise. The projects also include a fund for the employment of a Specialist Nurse who will recruit and train expert volunteers to provide bereavement support to bereaved families across east Kent.

Purposes of designated funds

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

Revaluation reserve

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

Notes to the financial statements

For the year ended 31 March 2020

26 Operating lease commitments payable as a lessee

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

	Land and buildings		Equipment and vehicles	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Less than one year	396	306	19	23
One to five years	815	851	37	22
Over five years	232	463	-	-
	1,443	1,620	56	45

27 Pension commitments – defined benefit plan

The Charity participates in the Baptist Pension Scheme (the Plan). The Plan is funded and is not contracted out of the state scheme. It is a multi-employer pension plan and it is not possible, in the normal course of events, to identify, on a reasonable and consistent basis, the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS102 represents the employer contribution payable. While the Plan is primarily a defined contribution scheme it has inherent guarantees that mean the charity may need to make further contributions to meet deficits.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan and The Pensions Act 2011 has more recently altered the definitions. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up. The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

The Charity has been notified by the Baptist Pension Scheme of the estimated employer debt on withdrawal from the Plan based on the current financial position of the Plan. As of 20 February 2020 the estimated employer debt for the Charity was £35,900 (2019:£81,000). This potential debt is included in the financial statements in current liabilities. The Charity has not been notified of additional contributions that will be payable in order to eliminate the deficit in the Plan.

In accordance with the charity's accounting policy, any such expenditure will be recognised in the accounts as the contributions become payable. The Trustees consider any such excess unlikely.

28 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.