



**THE
KIRKWOOD
SUPPORT
LIFE[®]**



CONSOLIDATED FINANCIAL STATEMENTS

Year Ended
31 March 2023



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& Chief Executive

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Welcome from our Chair & Chief Executive

We are proud to be part of The Kirkwood Movement and pleased to have guided The Kirkwood through what has been a challenging year in The Kirkwood's history. Despite all we have faced, recovering from the pandemic and navigating tough economic times, what we are most proud of is that The Kirkwood continue to support more and more people affected by any life limiting illness in our local communities, every step of the way.

The Kirkwood play a leading role in ensuring that the very best care is available to people in Kirklees, and we continue to be recognised by our partners as the experts in palliative and end of life care. We provide one of the most comprehensive models of service available in any part of the UK; more people within our community access and benefit from our services when compared to many of our peers.

But we will not rest on our laurels; we cannot do so until everyone who needs our care and support is able to receive it. That is why we have set an ambitious aim to double the number of people we care for by the end of this decade. That might seem quite a tall order, but we are proud to report that we have achieved the same in the last 10 years. Through service redesign and development, relentless campaigning with our partners and in our local community, and the unwavering support of local people, we have provided care and support to more than double the number of patients since our new In-Patient unit – The Kirkwood's Hospice - was opened back in 2013.

Like so many other charities, we are operating in a very challenging environment at the present time. Unlike other similar charities, who often have a more limited-service offering, The Kirkwood provide care and support every step of the way, from the moment someone receives a diagnosis or their illness impacts their quality of life. Our focus is not only on complex clinical and medical care, but also on the provision of social, spiritual, emotional, and psychological support during a critical phase of life. The unique needs of each patient and those that matter to them requires a multi-disciplinary team of professionals, which in turn means our expenses are significant.

Since the pandemic, The Kirkwood's operating environment has changed markedly. Its unique impact, followed by the subsequent cost-of-living crisis, has been the biggest period of change the charity has experienced in a long

time. We are living with massive uncertainty in relation to both income and expenditure, which means achieving a balanced budget is more challenging than ever before.

However, that doesn't change our guiding principles. Our strategy remains the same; we are still committed to ensuring that our services are available to all who could benefit, therefore we need to increase funding from our local community to realise this ambition. We will achieve this by using The Kirkwood's refreshed brand to ensure that more people understand and value the work that we do and are inspired to support us; and we also need to increase the level of funding received from the NHS, linked to the value that we are creating within Health and Social Care in Kirklees.

We need to achieve parity of funding alongside other Hospice providers in West Yorkshire and England. The funding available to The Kirkwood is currently less per capita than most other Hospices in West Yorkshire, despite delivering a more comprehensive model of care to more patients per capita than others. At present we are reassured that our partners recognise our role in the Health and Social Care sector and have stated an ongoing commitment to address any variance in hospice funding. We will continue to work hard with them to achieve a formal recognition of the situation and additional allocated funding.

The Kirkwood are, and have always been, a movement; a community of people from every part of the local area that believe people should be cared for as well at the end of their lives as they were at the start. We are as determined as ever to ensure that The Kirkwood are here for everyone who needs our support in the future. We know that the key to achieving our ambitions is improving the knowledge of local people about who we are and what we do, so they will be motivated to support us or reach out for our care. We will continue to campaign and urge local people and organisations to join The Kirkwood Movement, find their place within it and work together to strengthen it.

With the help of The Kirkwood's many supporters, partners, employees, and volunteers we continue to ensure that local people have high quality care and support available to them in the most challenging times of their lives. Together we have achieved a huge amount this year, in difficult circumstances. This report provides details of all those achievements. Together we will embrace the challenges that the future holds, by continuing to focus on what is most important; the needs of the patients and families that we are here for, the experience that individuals and those that matter to them have under our care, and the memories of life and legacy they leave within their community.

Lorraine

Lorraine Chapman
Chair of Trustees
The Kirkwood

Michael

Michael Crowther
Chief Executive
The Kirkwood

Trustees' Annual Report including Directors' Report & Strategic Report

Year Ended
31 March 2023

Objectives & Activities

The Trustees present their report and the audited financial statements of the charity for the year ended 31 March 2023. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the Annual Report and Financial Statements of the charity.

Kirkwood Hospice is a registered charity, number 512987 and a company limited by guarantee in England, number 1645888. The organisation was incorporated as a company limited by guarantee on 23 June 1982 and registered as a charity on 3 August 1982. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £10.

Objects

The objects for which Kirkwood Hospice (referred to as The Kirkwood in this report) is established are to promote the relief of sickness by such charitable means as are considered appropriate; the governing documents define those charitable means in furtherance of those aims. There have been no material changes to these objectives since the last Annual Report.

Mission Statement

The Kirkwood provide specialist care, free of charge, to adults in Kirklees with advanced progressive illnesses at any time from diagnosis to the end of life, respecting their individual needs and wishes. Care and support is also provided to their family members, friends and carers, both during the illness and after death. Through education, training and partnership with others The Kirkwood improve care for everyone affected by a life limiting illness.

Public benefit and eligibility criteria

The Charity Commission's general guidance on public benefit has been used for reference when compiling this report and in planning future developments and activities.

The eligibility for our services is described below; in addition, The Kirkwood have further developed eligibility criteria for accessing In-Patient care at their facility in Huddersfield.

Common eligibility criteria were agreed in the year 2000 by all providers of specialist palliative care (SPC) working in Calderdale and Kirklees in order to ensure equity of access. These criteria reflect those adopted by other SPC services across Yorkshire.

The three elements of the eligibility criteria are:

That patients should have active, progressive and potentially life threatening illness.

That patients should have unresolved, complex needs that cannot be met by their current caring team, or it is anticipated that the patient will develop such needs in the near future. These needs may be psychological, social, spiritual, or physical.

Patients must have been recently assessed by a member of a Specialist Palliative Care team.

Services provided

The Kirkwood help local people, with an illness that cannot be cured, to live well and die with dignity and where possible in a place of their choice. We provide services, free of charge, to people in Kirklees affected by life limiting illnesses that focus on their quality of life. We provide care for people affected by any life limiting illness, including cancer, neurological conditions, advanced heart and lung diseases and dementia. We also provide services to patients' families, carers and anyone that is important to them.

Most patients use a combination of services as their illness progresses and draw on the specialist skills of The Kirkwood's multi-professional team, who work in collaboration with colleagues in all care settings to provide continuity of care. The Kirkwood also provide programmes of education to other professionals who are caring for people with life limiting illnesses. In this way we seek to improve the quality of care experienced by all people who have palliative care needs.

Our services are continuously monitored, evaluated and reviewed to meet the changing needs of patients and their families. All our services are delivered taking into account all current national guidance and quality statements and standards.

The Kirkwood are regulated by the Care Quality Commission 'CQC'). The CQC suspended their routine inspection programme in March 2020 in response to Covid-19 and do not intend to resume it for the immediate future. They continued to use a mix of onsite and off-site monitoring to ensure the public have assurance as to the safety and quality of the care they receive. At the time of writing this report the CQC have not found evidence that they need to carry out an inspection or reassess The Kirkwood's rating.

An inspection was carried out in September 2016 and the rating awarded was 'Good' overall with an 'Outstanding' rating for Care. More information is available on the CQC website (<http://www.cqc.org.uk/location/1-115011048>).

Overview of impact for beneficiaries

The Kirkwood exist to support anyone affected by any life limiting illness, every step of the way. We help people to maintain and improve their quality of life so that they can focus on what is really important to them. We support patients, their families and those that care about them. In the 12 months to March 2023, a total of 2,570 people affected by a life limiting illness were supported to achieve the best possible quality of life possible. The Kirkwood provides a wide range of services that benefit more people in our community than many other hospices across the country.

The Kirkwood are here to offer the right advice and support for anyone affected by a life limiting illness at any point from diagnosis. Our Specialist Advice Line Service handled 15,254 calls in the last year and 1,890 patients accessed some form of care and support from one or more of our services, which is 12% higher than the previous year.

We place great importance on the experience of those people who use our services and value their feedback. Obtaining service user feedback has been more challenging in recent years, however we continue to act on feedback from our service users and their families, both formal and informal. This

is shared primarily within the relevant clinical teams and departments; it remains their priority to improve our approach and secure an increased level of quantitative feedback from the people who use our services.

The Kirkwood Support Life until the very end of life, helping people to have as good a death as possible, where their symptoms are managed so that they are able to focus on what matters most to them. In this reporting period, The Kirkwood cared for a total of 989 local people that died. Our team of experienced professionals provide the best care for people at the very end of their lives, meeting their individual needs as far as possible and helping the vast majority (90% in the last year) to avoid dying in hospital.

Services are provided to support patients' family members and carers through their loved one's illness and in bereavement. We help these people with their emotional and psychological needs and support them in finding ways to cope more effectively following bereavement and move forward in life. During 2022-23, a total of 668 individuals accessed this support through The Kirkwood Counselling Team, which is a 50% increase on 2021-22.

For many people, supporting The Kirkwood following the death of a loved one is an important way to pay tribute to their life and honour their memory. This support comes in many forms, and from all parts of our community. In this period, over 30,500 local people made a contribution to make sure that everyone affected by a life limiting condition has access to the very best care and support. This is 10% higher than reported last year, demonstrating a wider reach across our community, and also in some part following our work to improve our ability to identify everyone in the movement.

Individual services providing public benefit

The way that people are supported by The Kirkwood has changed significantly in recent years. This is in response to the pandemic and also the way we have transformed services to be more accessible and flexible than ever before. In 2022-23 The Kirkwood continued to support the most vulnerable people in our local communities, flexibly, meeting the needs of as many patients and families as possible through the most comprehensive range of services available in West Yorkshire. Despite ongoing risks relating to Covid-19, our In-Patient beds were always available, although there were periods where we had to reduce the number of beds available in order to effectively manage the risk of infection.



The Kirkwood In-Patient care

For patients requiring care and support to address complex problems associated with life limiting illness, and sometimes care at the end of life.

	5 Year Average	2021/2022	2022/2023	Increase/Decrease
Patients per In-Patient bed	17.53	16.86	17.50	+3.8%
In-Patient Admissions	280	244	294	+21%
Discharges from In-Patient Unit	93	83	98	+18%
Patients cared for at the end of life	178	156	182	+17%
Out of hours admissions	72	71	64	-9.85%

As described earlier, the capacity of the In-Patient Unit was affected by the infection prevention and control measures that were necessary to maintain safety of our patients and colleagues, which meant that the number of beds available for admissions were reduced for periods within the year. That said, the numbers of patients supported has recovered well, back to normal levels in the past 12 months, and has increased above the five-year average.

The Kirkwood Counselling Team

This team provides psychological support and counselling for patients and families during illness and in bereavement. The team’s work includes support for children affected by the death or life limiting illness of a close family member.

	2021/2022	2022/2023	Increase/Decrease
Total number of service users	444	668	+50%
Pre-bereavement support – contacts	1,064	1,243	+17%
Counselling sessions for bereaved people	530	795	+50%

The Kirkwood’s counselling activity has returned to pre-pandemic levels as we have been able to reintroduce group work and our accessible service model. The team has experienced increased demands as the caseload that is being managed is more complex in nature as a result of people’s experiences during the pandemic.

The Kirkwood Community Palliative Care Team

The Kirkwood’s team of fifteen community nurses provide care in every town and village across Kirklees. The Kirkwood Nurses are Clinical Nurse Specialists that provide advice on all aspects of pain and symptom control and provide emotional and psychological support for patients at home and

in care homes. The Kirkwood Nurses also provide advice to health care professionals and deliver education and training on all aspects of palliative care.

The team includes Dementia Specialist Nurses and Nurses that are focussed on the needs of people who are living in care homes.

	5 Year Average	2021/2022	2022/2023	Increase/Decrease
Total Patients supported by The Kirkwood Nurses	1,286	1,249	1,410	+13%
Home visits carried out by The Kirkwood Nurses	2,292	1,555	2,286	+47%
‘Virtual consultations’ carried out by The Kirkwood Nurses	N/A	422	149	-64%
Phone calls to patients, families, or professionals	14,331	13,809	14,051	+1.75%

The service continues to operate a mix of face-to-face visits and virtual consultations, although the virtual support is much reduced since the pandemic. Significantly, more home visits were possible this year, and virtual consultations were still used to support some patients and families. The total number of patients accessing the service was 13% higher than the previous year and above the five-year average.

The Kirkwood Advice Line

The Kirkwood provide a specialist palliative care advice line 24 hours a day, every day of the year.

	5 Year Average	2021/2022	2022/2023	Increase/Decrease
Total calls responded to	15,340	15,101	15,254	+1%
Total calls outside normal hours	1,309	1,292	1,203	-7%

Health Care professionals, patients and their carers contact The Kirkwood for expert advice at any time of the day or night, seven days a week. The aim of this service is to enable more patients to be supported and, as their illness progresses, to have their needs met as soon and as fully as possible. As the clinical model stabilised following the pandemic, the numbers of people being supported by the advice line has returned to a lower level.

The Kirkwood Support & Therapy Service

Patients and those that care for them traditionally accessed support and advice from our team by attending our Drop-In service, scheduled appointments or group activities at the Dalton site or at the Rosewood Centre

in Dewsbury. During the reporting period The Kirkwood did not provide the traditional service model due to the residual impact of the coronavirus pandemic. The Kirkwood Support & Therapy service is in a period of transformation as we look to provide access in different locations across our local area. A series of sessions were delivered within GP practices and other community locations to target patients that otherwise may not have accessed services. The Kirkwood has not yet established a reliable data process to capture the number of individuals accessing and benefiting from services at the new locations. We also continue to deliver virtual sessions as a way to improve access for a range of service users.

The Kirkwood Care Co-ordination

The Kirkwood Care Co-ordination team continues to deliver a key service to support patients and families to access packages of care and support. The range of signposting and support is wide ranging, including care home placements, equipment in the home, benefits, ongoing support and guidance and carer support networks. The team ensure that the priorities and choices of patients and their loved ones are recorded, understood and every attempt is made to deliver them where possible.

	2021/ 2022	2022/ 2023	Increase/ Decrease
Total number of service users	1,297	1,272	-2%

Education & Training

The Kirkwood provide Palliative and End of Life Care training for other health and social care agencies – and also for visiting students. Specific programmes have been developed for professionals who work for Locala Community Partnerships CIC, Calderdale and Huddersfield NHS Foundation Trust, local Care Homes and GP Practices. These programmes aim to improve the delivery of palliative and end of life care in all settings. A total of 311 professionals from other organisations accessed training and education provided by The Kirkwood during the period.

	2021/ 2022	2022/ 2023	Increase/ Decrease
External professionals accessing training	148	311	+110%

Volunteering

All aspects of The Kirkwood's services are underpinned by the various support service teams and volunteers who provide help at the main hospice site in Dalton, in the Fundraising Department and in The Kirkwood shops. During the year there were 998 volunteers connected with The Kirkwood, which is an increase on pre-pandemic levels. Volunteer roles at The Kirkwood's hospice in Dalton returned once this was possible, however systems have not accurately captured the hours they contributed. Using data captured between July 2022 and March 2023, the pro rata value would be 8,507. The Kirkwood shops benefited from 65,393 hours of volunteer time, which is less than pre-pandemic levels, in the main due to the fewer number of shops.

	2021/ 2022	2022/ 2023	Increase/ Decrease
Total number of The Kirkwood Volunteers	985	998	+1%
Hours of volunteering supporting services at Dalton	-	8,507*	N/A
Hours of volunteering supporting The Kirkwood Shops	63,790	71,770	+12%

*Volunteer Hours at The Kirkwood's Hospice in Dalton are pro rata based on July 2022 to March 2023.

Strategic plan

We are a movement of people who are passionate about ensuring the best care is available to local people as they approach the end of their life. We deliver expert care in every street, village and town in our local area. We will not rest until all people whose quality of life is affected by a life limiting illness have the support they need to live the best quality life they can.

Our strategy reflects this ambition; we want to double the number of people we provide care and support to within this decade and to become the 'go to' charity for anyone that is affected in any way by a life limiting illness in Kirklees.

Our biggest opportunity is still to engage better with our local community to improve the understanding of who we are and what we do. People do not access our care and support because they don't think we are relevant to them or do not understand what we do. We also believe more people will support us if they understand the difference The Kirkwood make to the lives of local people, compared to other charities.

If we are successful, then more people will get the support they need from The Kirkwood and more people will be inspired to join our movement so that no one needs to face a life limiting illness alone.

As we pursue this ambition we will always focus on the quality of our services and providing the best care for patients, carers and families. At the same time, we will relentlessly try to increase the resources available to us to achieve our ambitions.

In addition, our current strategic plan focusses on building The Kirkwood Movement so that:

We increase the support available to us from across our community – increasing both income and the time donated through volunteering

We support more people affected by any life limiting illness

To achieve this, we must make sure that people in our local community feel that The Kirkwood's care is for them, irrespective of their personal identity, beliefs or heritage. In this way, we will reduce any inequalities experienced by people in our community who have not benefitted from our charity's work in a way that they could have.

We also need to fully implement our refreshed identity. This means we need to be more present and visible across our local area so that the ways in which The Kirkwood Support Life become more accessible, more flexible and more agile than ever before.

The Kirkwood – Purpose

To support anyone affected by any life limiting illness, every step of the way.

The Kirkwood – Vision

A world where no one needs to face a life limiting illness alone and where everyone has access to the support they need to live the best quality of life they can.

The Kirkwood Strategic Aims

To **double** the number of people we support

Provide the **best possible care** to patients, their families and those who care for them

Work with communities and partners to **improve the understanding** of The Kirkwood

Become the **'go-to'** charity for anyone affected by life limiting illness

The Kirkwood Strategic Objectives

Activate the Brand to Build The Kirkwood Movement

Become more diverse in every aspect of who we are and what we do

Be more accessible, more flexible and more agile than ever before

SUPPORT LIFE

How we are doing

The table below is a summary of our progress against key measures since the end of the last decade (2019-20), these high level measures track the achievement of our strategic aims:

The size of The Kirkwood Movement

Increased to 30,500 people from 22,500

↑ +36%

The Numbers of people cared for at the end of life

Increased to 989 from 686

↑ +44%

The total number of patients supported by The Kirkwood

Increased to 1890 from 1505

↑ +26%

The Kirkwood's spend on its charitable purpose

Increased to £6.5m from £5.3m

↑ +23%

The Kirkwood's income generation contribution

Increased to £1.89m from £1.75m

↑ +5%

Fig. 1 – Summary of The Kirkwood's Strategic Indicators

Growth of patient and family impact

The Kirkwood have been making significant progress towards our strategic aims over recent years. This decade we have seen a large increase in the impact we have on patients and families in Kirklees.

The overall number of people The Kirkwood care for has increased by a quarter, and the number of people supported at the very end of life has increased by 44%.

Patients Benefitting

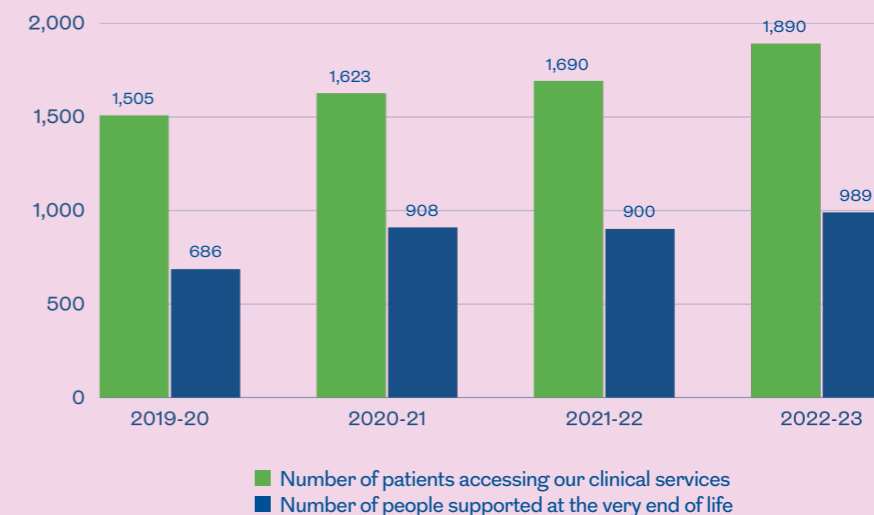


Fig. 2 – Patients benefiting from The Kirkwood's services.

The most recent service development has been enabled by the funds designated from reserves. This enabled us to introduce The Kirkwood Care Co-ordination Service, and also further expand The Kirkwood Community Palliative Care service, including the development of a focus into specific target groups of patients who we believe The Kirkwood can better support; people living with dementia and people living in residential or nursing homes. We have also invested in an additional Consultant in Palliative Medicine to ensure there is sufficient medical oversight for the increase in patients within our care.

Growth of clinical services expenditure

The Kirkwood's investment in clinical services has increased over this time, however this has far been exceeded proportionately by the number of patients benefiting. The growth has been achieved by the expansion of the services we provide to support people in their own homes, and in services that remain in contact with patients when they are relatively stable and have fewer complex needs. The current economic crisis has changed this, and in the past 12 months expenditure has accelerated beyond forecast.

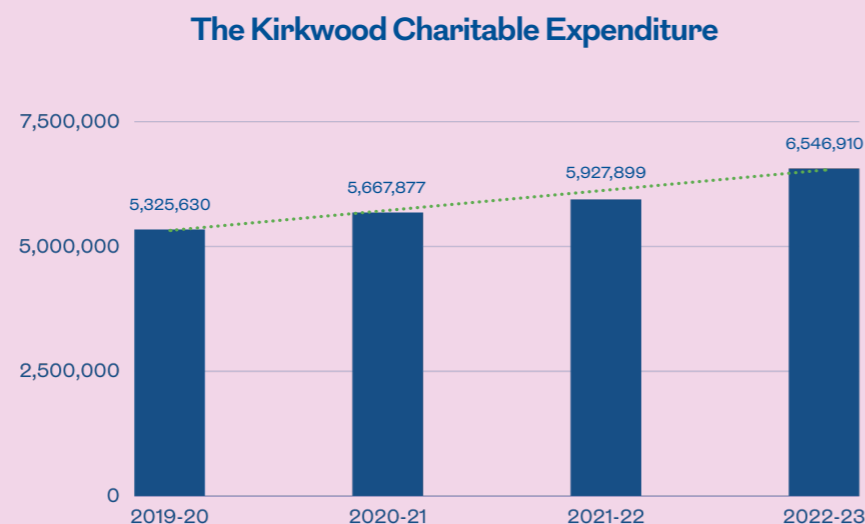


Fig. 3 – Growing expenditure on The Kirkwood's clinical services

Income not keeping pace

During the same period, The Kirkwood have been successful in increasing income from its own activities and from the NHS in terms of both grant and contracted funding.

The Kirkwood's income generation contribution has hit £1.89m in this financial year. In comparison, it was £1.25m in 2014-15, which represents a growth of 51% in this period. Income generation strategies have been successful in refining our methods to improve our return on investment in both fundraising activities (e.g., Events, Trust funds, Lottery, and individual giving) and in our retail operation (e.g., improved stock management, furniture shops, eCommerce).

The activation of The Kirkwood's refreshed identity in 2020 has delivered a firm foundation for our income generation capability, which has been demonstrated through the recovery of the community fundraising income since the pandemic, which has not been the experience of our peers. The Kirkwood have also focussed on maximising the income that is available

In the thick of it

from the government through the NHS and other statutory organisations. Our approach has been to integrate as much as possible with our partners. As a result, we have seen an increase in funding from these sources, most recently an increase of £400k to the recurrent grant in 2022-23. Despite the increase in funding, The Kirkwood remain behind the average of funding that is available to other hospices in West Yorkshire and the rest of England in terms of funding per head of the population.

The growth in funding from the NHS has not kept pace with the increase in clinical expenditure and as a result a greater proportion of expenditure has been covered by voluntary income. Overall, our funding was broadly tracking the increase in expenditure until the pandemic, and during the pandemic The Kirkwood had the benefit of one-off funding from a number of sources which ensured that our expenditure was covered as our services were reaching as many people as possible through this time. Since the pandemic we are experiencing massive uncertainty about both income and expenditure, which means that balancing expenditure and income is even more challenging than before.

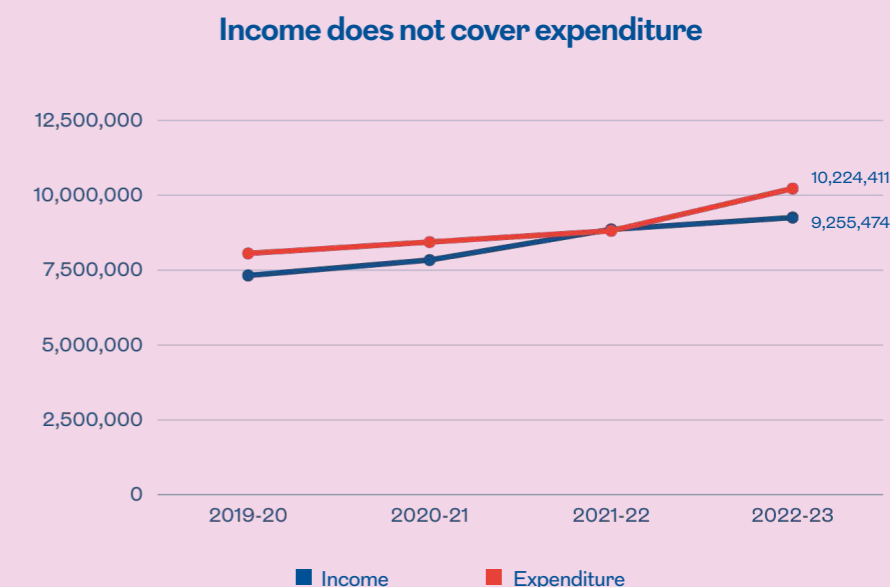


Fig. 4 – Income not keeping pace with expenditure

There has been a paradigm shift in the world in which The Kirkwood operate; recent events including the Covid-19 pandemic and the war in Ukraine have permanently changed our external environment. As a result, income and expenditure will remain uncertain for some time. We have budgeted a deficit in 2023-24 and this is set to continue into subsequent years. The non-recurrent support The Kirkwood received through the pandemic helped to close the gap of an underlying deficit between income and expenditure which has been exacerbated by the cost-of-living crisis.

Our strategy for income remains the same; that we increase funding from our local community by activating the brand to ensure that more people understand and value the work that we do and are inspired to support us, and that we work to increase the funding we receive from the NHS linked to the value that we are creating within Health and Social care in Kirklees (our goal is broadly that we will achieve parity of funding alongside the other Hospice services in West Yorkshire).

The implications of our current situation could be severe, we need to engage with all stakeholders about the possible responses to current challenges.

As we readjust our plans within the existing Strategic Framework, our clinical services will focus on delivering as much as possible within a tight financial envelope. We cannot afford to deliver less on income; we need to deliver more contribution and continue to invest appropriately.

As set out above, despite the challenging environment in which The Kirkwood are operating, we have still managed to make progress with the priorities that we have set in our Strategic Plan.

A summary of progress against our annual objectives is as follows:

We successfully implemented Connect with The Kirkwood, a new service development that sits alongside our clinical services and ensures that we maximise referrals into and navigate patients and families effectively through our services.

We delivered the most ambitious event ever held by The Kirkwood; Snowdogs Support Life, Kirklees. This was a mass participation public art trail, which not only brought much needed fun and engagement to our local communities, but successfully delivered a new platform for future support and engagement for our charity.

This year we have realised an increase in both recurrent and non-recurrent funding that is available to The Kirkwood from the NHS. This is an acknowledgement of the profile and reputation of The Kirkwood and follows a sustained period of engagement and campaigning with key stakeholders at all levels over the past few years.

We have successfully introduced a new Director of Clinical Services into the team. Lynne Hall-Bentley commenced in post in March 2022. Lynne's introduction has resulted in changes to strategy and structure within her first year.

The Kirkwood have retained status of GOOD with the Care Quality Commission following their monitoring activities. This followed effective preparation, including mock inspections involving partners.

The Kirkwood 'Impact Event', at the John Smith's Stadium, attracted over 100 important members of The Kirkwood Movement to come together and celebrate our achievements in recent years.

In partnership with an organisation called Sector Three, we have developed The Kirkwood digital roadmap, which underpins how we will progress this important aspect of our strategic business plan.

We have made positive changes to our leadership structures across all areas of The Kirkwood, with new roles in Finance, Resources and Income Generation, and an entirely new operating and leadership structure in Clinical Services.

The Kirkwood's operating environment during 2022-23 continued to be challenging – we experienced employee turnover in key roles following Covid, escalating costs and uncertainty around income. This has meant that some priorities did not progress as planned. However, we continue to see these as priorities and they are key aspects of our 2023-24 Annual Business Plan:

We hoped to have developed the role of Support Life Champions and have inducted more people into this important role.

Our plans to progress Equality, Diversity and Inclusion within The Kirkwood have been delayed. It is not yet embedded as a core part of our strategy with clear communication about where we are going and how we are developing.

While the concept of The Kirkwood Information Points has been developed, we have yet to install the first examples of this key brand / communication device.

Sustainable Financial Model

Fundamental to the refresh of the existing strategy is securing a future operating model that is sustainable, so that The Kirkwood's services are affordable within the financial envelope that is available to the charity.

We have set a budget for 2023-24 with a significant operational deficit. This will need to be reduced when we set the budget for 2024-25.

A priority objective for 2023-24 is to systematically review all The Kirkwood operational models to ensure we meet the standards we aspire to in the most efficient way possible. Activity plans will be developed for Clinical Services, Support Services and Corporate services with the relevant standards agreed within a reduced financial envelope.

For income generation, the operating model will be defined according to the contribution required in future years. Investment decisions will be considered against future targets.

Integrating income generation and clinical services developments

The Kirkwood's future sustainability relies on increased support from our local community and associated increases in voluntary income. The most committed supporters of The Kirkwood have always been the people who have experienced, themselves or through family and friends, the care that we provide. We know that this connection has been stronger and more tangible with people who have experienced In-Patient care. The majority of The Kirkwood's patients and families do not need to access In-Patient care. They benefit from the many other ways we provide expert care and support. Therefore, we need more patients and families to understand that it is The Kirkwood that provide care and support to them within their own homes and in their communities.

The aim is:

That the maximum possible number of patients and families, their networks

and those in our local community understand that The Kirkwood is a charity, are inspired to join the Movement, feel good about doing so, and that this translates into sufficient financial support to enable The Kirkwood's care to reach more people.

In 2023-24 we will drive a culture change within income generation and clinical services that integrates our approach to engaging more supporters and to providing care to more patients and families.

We will try to connect all the 1,900 patients we care for each year, and those in their networks, with the opportunity to support The Kirkwood and others in their community through:

Continuing to activate the brand and being sharper in our messaging.

Bringing the whole of our workforce together and making both income generation and referrals everybody's business.

There are two important service developments planned for 2023-24:

The full implementation of 'Connect with The Kirkwood.'

Creation of three community hubs where The Kirkwood will be present, more visible, and active within target communities in Kirklees.

The implementation of these service developments will be a joint approach between income generation and clinical services to ensure that we maximise the opportunities to increase the numbers of supporters engaged and patients cared for.

The Kirkwood's New Conversation

As indicated earlier, The Kirkwood's current environment is challenging and the constrained financial circumstances we find ourselves in may have implications for our future growth. We recognise that as finances are challenging this may limit how fast we can make progress towards our ambitions to reach more people. We have an ambitious strategy, however we need to work hard to make sure our financial model is sustainable, while refining the way we operate and deliver services.

In January 2023, we started The Kirkwood's New Conversation with the employed workforce, the aim being to gain a consensus about the things that matter most about the charity, and to understand what the workforce would prioritise through challenging times.

It is important that we involve all key stakeholders in the conversation about our circumstances so that the different groups can act and be part of ensuring our charity is successful and remains sustainable in to the future. These stakeholders include, but are not limited to:

Patients and Families

Donors and Supporters

Volunteers

Health and Social Care Partners

Business Partners

By opening out the conversation with different stakeholders we will continue to refine our understanding of 'what matters most' while at the same time creating the opportunity to strengthen their engagement with The Kirkwood and our mission and vision.

Transform in a way that protects what matters most

If we are to come through what is a very challenging period, successfully, the pace of change that we have planned will need to be adjusted while we ensure that our service model is sustainable. If we are to be successful in future, we will need to continue to transform and develop. Our current circumstances require us to focus that transformation on the areas that will matter most to our future success.

Quality of care

As we determine a clinical model that is sustainable for future years, we will need to continue to deliver the best care and support possible to our patients and families. The outcomes and standards we apply to each clinical service need to be confirmed and embedded before further any change is implemented.

Workforce

It is essential that we continue to secure the existing and future workforce. This priority has been underlined by internal engagement across the whole workforce. Colleagues feel that maintaining and developing the workforce was a priority second only to the quality of experience that we provide to our stakeholders. While we are in the process of refreshing our workforce strategy and plan, we need to continue to improve the recruitment, onboarding, and retention of the workforce.

We need to confirm our 'Employer Brand' with potential candidates, new recruits and existing employees and volunteers.

Diversity

We need to continue to improve the diversity of the organisation to ensure that our services are available for all they are intended for and that we leverage the maximum support from our local community for the work that we do.

Digital

The digital world will become increasingly important to The Kirkwood as it becomes more important to our stakeholders. Our future success will depend on us developing our approach in a digital world so that we can make the most

of the opportunities to communicate with our stakeholders differently and develop more effective and efficient operating models.

Estates

The way The Kirkwood deliver services and the way in which support functions need to enable that has changed dramatically since before the pandemic. While we confirm our future operating models and related estates requirements, we will prioritise changes to the Dalton site that will see more of our team working there. This will be in a mixture of hubs and agile spaces, preparing for vacating Empress Works, and allocating estates capacity to supporting the new way of place-based working out in the community.

Partnerships

The Kirkwood have a high profile within the health and social care sector within Kirklees and West Yorkshire and within the Hospice sector both in our local region and with networks all across the UK. The partnerships and collaborations that we have developed are important to us and while we need to successfully leverage them to help support our future sustainability and success, we need to protect them. We have an opportunity to strengthen the profile of Palliative and End of Life care by creating a 'Dying Well' programme in Kirklees, which could consolidate The Kirkwood's reputation while improving the opportunities for investment.

Review of Financial Activities

The Consolidated Statement of Financial Activities for the accounting period is detailed on page 52 of the financial statements. A summary of the financial results and the work of The Kirkwood is set out below.

Summary of Financial Performance

The Trustees continue to monitor financial performance against budget as the primary key performance indicator.

Income for the accounting period increased from £8,861,868 for the year to 31 March 2022 to £9,255,475 for the year to 31 March 2023.

Expenditure for the accounting period increased from £8,816,820 for the year to 31 March 2022 to £10,224,410 for the year to 31 March 2023.

The operating deficit for the accounting period before taking into account gains and losses on investments amounted to £968,937 compared to last year's surplus of £45,048

After taking into account the gains on realised investments and the movement in year of unrealised investment (loss) of £418,643 the total deficit is £1,387,579. This is in comparison to last year's surplus of £183,085 which included net gains on investments of £138,037. Further details are on page 52.

The Kirkwood have faced a very challenging year, due to continuing to be impacted by the pandemic with the added challenge of the cost-of-living crisis. This has meant that the charity has ended the year with an operating deficit position of £968,937 and total deficit of £1,387,579. It should be

noted that the charity had planned a total deficit budget for the year of £1,169,400. Therefore, the outturn position was adverse by £218,180. Losses on investments significantly contributed to this adverse position against budget. The budgeted deficit was higher than normal due to contingencies made for rising energy costs, inflation and national minimum wage uplifts.

	Outturn (£)	Budget (£)	Variance (£)
Income outturn was	9,255,475	9,331,828	-76,354
Expenditure outturn was	-9,882,565	-10,291,589	409,024
Designated Funds outturn was	-341,846	-619,639	277,793
Operating Deficit	-968,935	-1,579,400	610,463
Investment outturn was	-418,643	410,000	-828,643
Total Deficit	-1,387,578	-1,169,400	-218,180

Income Generation

Total voluntary income was lower than budgeted expectations, mainly due to adverse variances against targeted income for donated goods and fundraising events income. Donations and gifts represent a significant proportion of income, and the involvement of individual and corporate donors, charitable grant making trusts and supporters is greatly valued. Also, the generosity of those individuals who remembered The Kirkwood in their will by leaving a legacy to the charity is recognised. In the year, these legacies totalled £953,753.

Resources Expended

Total expenditure (including designated funds spend) was £10,224,410 against a budget of £10,911,228. Expenditure on employee salaries and fees was within budgeted limits by £686,817 (6.29%). Resources expended in total increased by £1,400,189 (15.88%) to 31st March 2023. The cost increase comparison for the year ended 31st March 2022 was £377,861 (4.48%). Demonstrating the more significant impact in 2022-23 of rising national minimum pay rates, inflation and energy costs. The cost of the various services is shown at Note 6 to the Accounts.

Developments targeted through use of Designated Funds

–

Designated Funds Update

In previous years the Trustees have taken the decision to designate funds from the general reserve with the purpose of investing in projects and initiatives that serve the purpose of the charity and meet future strategic objectives.

The Trustees have identified several principles that would guide the use of these funds:

The designated 'project' fund should be spent in line with the organisation's strategic objectives.

There is a balance between the delivery of clinical services and income generation to ensure sustainability.

A schedule be created and maintained from consultation to project plan implementation, to ensure timeliness of allocation of the fund.

As at the 31st of March 2023 a total of £341,846 was expended as planned during the accounting period meaning the balance of the fund was £1,237,305.

The fund was used for the following:

Brand Activation including continuation of the work to renew The Kirkwood's shop fronts and The Kirkwood Art Trail, *Snowdogs Support Life, Kirklees.*

Set up costs for additional retail premises – Online Trading facility at Sands Mill warehouse, Mirfield. New distribution Centre at Bradford Road, Huddersfield, and a new charity shop premises at Paddock.

IT, Digital and Estates Transformation – Project initiation for The Kirkwood's Digital Transformation Programme and associated project costs.

Connect with The Kirkwood – a new service to provide a central point of contact for people who need advice, support and guidance on the various ways The Kirkwood can help both the patient and those closest to them.

During the budget setting process for 2023-24, it was clear that the charity was facing another challenging year ahead. These increases related to the national minimum wage rising from £9.50 to £10.42 (9.69%) and crucially, continued high inflation and energy costs which needed to be factored into expenditure budgets. Looking at how the potential 2023-24 outturn would impact reserves, trustees made the decision to un-designate the Designated Project Fund as at 31st March 2023. This transaction can be viewed on page 52. It means that the balance of the fund as at 31st March 2023 of £1,237,305 has been returned to unrestricted funds.

Future allocation of the fund

Reserves

The reserves decreased in value by £1,387,578 as shown on page 52 of the financial statements. The Executive Management Team actively monitors the level of reserves held on a monthly basis when reviewing the monthly management accounts. This information is subsequently reported into Finance and Resources Committee on a quarterly basis. Forecasts of income and expenditure are made annually, the aim being to balance expenditure and income, and the object being to ensure our services are sustainable into the future. Contingency plans exist in the event that reserves fall below, or exceed, the estimated reserve requirements.

The Finance and Resources Committee reviews the reserves policy each year. In conducting the review, they take into consideration best practice and the guidance issued by the Charity Commission. The review is reported to the Council of Management at its next meeting and recorded in the minutes.

In December 2018, the Finance and Resources Committee agreed to move to a more 'scientific' calculation based upon a risk assessment of income and expenditure. The new reserves calculation also takes into consideration

legal and statutory obligations along with the aims and objectives of The Kirkwood's Finance Strategy. This means that there has been a shift from a minimum level of reserves defined by months of expenditure to a target figure expressed in absolute terms.

The reserves calculation is made up of four elements as follows:

Risk – covers the impact of the occurrence of risks identified in income and expenditure risk assessments. This will mean identifying, quantifying and assigning likelihoods to potential decreases in performance against short term (Budget) and long-term financial plans (Long Range Forecast)

Contingency – covers the impact of unquantifiable risks and unanticipated or unlikely events (events that cannot be predicted and therefore cannot be assessed as likely, but would have a major impact if they were to occur)

Service Development – covers designated funds to support strategic development. This part of the calculation will include known future commitments and service development not yet approved but in the Long-Range Forecast pipeline (stated separately)

Capital – covers liquidity, statutory payments and commitments. The liquidity calculation includes statutory costs that the charity would have to incur in the event of closure, such as employee costs. However, the costs associated with insolvency are not restricted to redundancy. For example, there might be contractual relationships that incur penalties such as leases upon which there are early exit charges and leased asset costs. The Kirkwood should also consider that the charity is morally obliged to complete all activities currently being undertaken. This would apply to patients and service users already known to the charity.

Taking the above factors into consideration, the proposed reserves target is set at the time of budgeting, monitored quarterly and measured and confirmed at year end.

The table on the next page is provided to demonstrate how the reserves calculations compare with actual year end results. It shows a required level which has been calculated using the long-range financial forecast to include the potential for service development. It also demonstrates the estimated statutory commitments.



	2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023
Required Level	11,321,858	11,652,557	12,215,938	11,498,556	11,657,101
Outturn	12,440,421	11,141,075	11,895,209	12,078,294	10,690,716
Variance	1,118,563	-511,482	-320,729	579,738	-966,385
But					
Target level of which would be statutory commitments	6,681,891	6,824,150	7,562,595	7,294,682	7,400,802
Actual	12,440,421	11,141,075	11,895,209	12,078,294	10,690,716
Variance	5,758,530	4,316,925	4,332,614	4,783,612	3,289,914

Reserves Calculation

The year-end results have demonstrated that The Kirkwood are operating at a level above the required level at which it would need to take action to cover its statutory commitments (£7,400,802). There is positive variance between the target level and the year-end balance sheet of £3,289,914, therefore the charity is operating within its reserves policy. It should be noted that the overall target includes the costs of service development plans over a three-year period using the Long-Range Financial Forecast (LRF). This assists with the decision-making process to inform the prioritisation of the strategic aims and objectives of the charity when budgeting. Despite the decision to un-designate funds within the reserve, given the challenging financial position ahead in 2023-24, the current overall reserves level provides some headroom for a discretionary reserve.

As mentioned in the review of financial activities section of this annual report, The Kirkwood have faced a very challenging year, due to living in a post-Covid world and the challenges of the cost-of-living crisis. This is set to continue into the 2023-24 financial year. To ensure that the charity operates within its reserves policy, the trustees made the decision to un-designate the remaining funds.

During 2023-24 we will review our operating models to re-confirm the resources needed to carry out the charitable purpose of The Kirkwood. Our aim is to reduce the operating deficit budget in 2024-25 and work towards the main aim in our Finance Strategy, to become more financially sustainable within the new economic environment and move to surplus budgets in the future.

Structure, governance and management

The governing body of The Kirkwood is the Council of Management, whose members are elected by the Company's Members. As at 31 March 2023, the Council of Management comprised ten Trustee members who meet 4 times per annum. There are committees dealing with Clinical Governance, Finance and Resources, Income Generation and Marketing, Nominations,

Trustee Responsibilities

Risk & Audit, Remuneration and other specific referrals from Council of Management. The salary of the Chief Executive is determined by the Trustees with advice from the Remuneration Committee on the Chief Executive appointment and by periodic reviews conducted by the Chair of Trustees. The salaries of the other members of the Executive Management Team are determined by the Chief Executive.

The directors of the charitable company are its Trustees for the purposes of charity law. The Trustees who have served during the year were as follows:

Mr B F Ainsworth OBE	Resigned 10th March 2023
Mrs C Black	
Miss L A Chapman	
Mrs J Davies	
Mrs K S Hinchliff	Resigned 10th March 2023
Mrs C M Quinn	
Prof P W Roberts OBE	
Mr P R Sands	
Mr P L Scovell	
Dr I R Wilson	
Mrs C Green	Appointed 29th September 2022
Mrs S Burchell	Appointed 5th January 2023

The charity holds an indemnity insurance policy on behalf of its trustees, details of the cost is included in Note 11 to the financial statements.

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

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

select suitable accounting policies and then apply them consistently

observe the methods and principles in the Charities SORP 2015 (FRS 102)

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 charitable company will continue in operation.

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

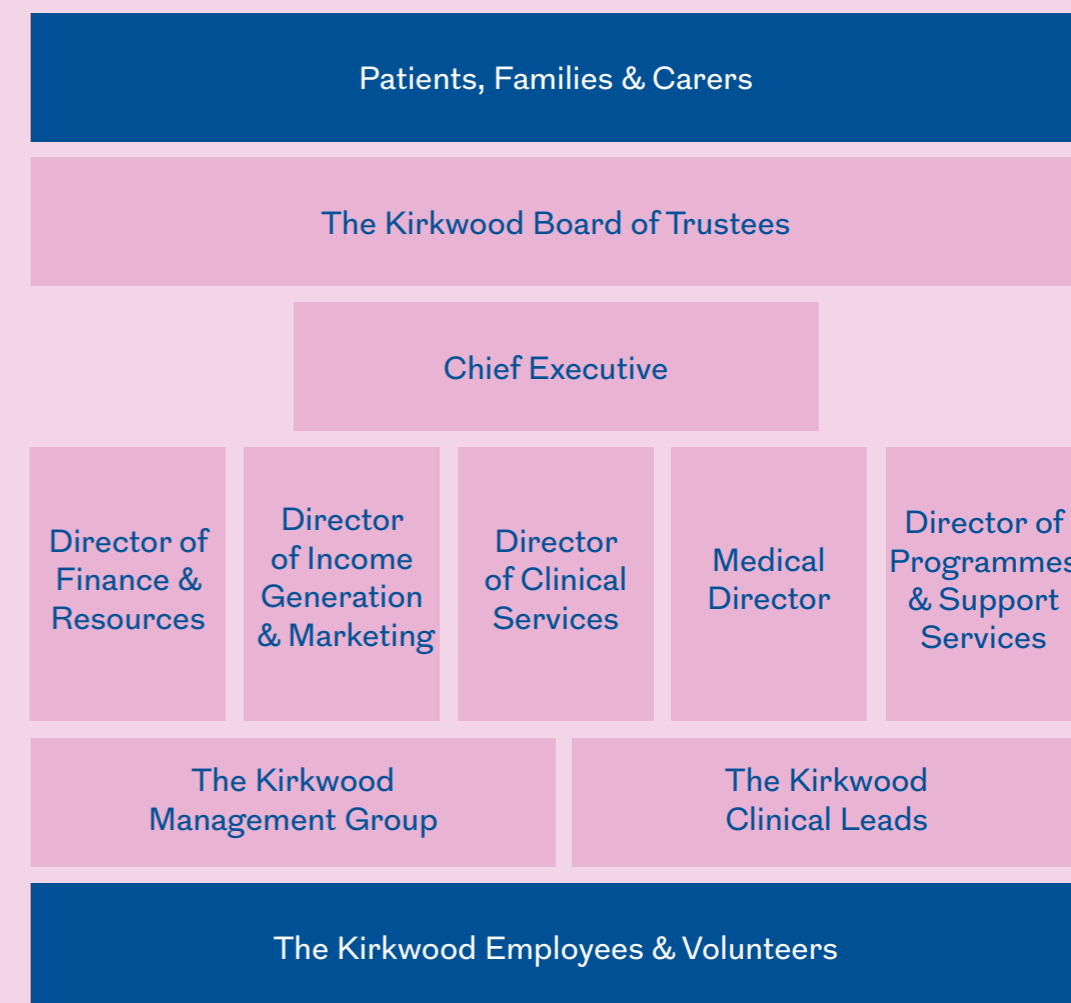
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

The Kirkwood are committed to ensuring equality of opportunity for its employees. The Kirkwood believe that selection and promotion should be based solely on ability to meet the requirements of the post. The aim is to provide equal access to jobs and training, and to ensure that all employees enjoy fully the benefits of working for the charity. In particular, The Kirkwood do not discriminate on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, sex, religion or belief.

The Executive Management Team comprises the Chief Executive, the Director of Finance and Resources, the Director of Clinical Services, the Medical Director, the Director of Income Generation and Marketing and the Director of Programmes and Support Services. The Executive Team meet weekly and work within overall strategic objectives and policy guidelines determined by the Trustees. The Chair of the Trustees meets regularly with the Chief Executive and the Executive Management Team attend Council and Committee meetings.

All management initiatives involve employees and volunteers in forward planning and there are regular meetings involving The Kirkwood Management Group, Clinical Leads and all clinical and non-clinical teams. Employee

views are sought when operational developments and changes to terms and conditions of employment are contemplated. Employees contribute to and regularly receive internal communications and other memoranda to inform them of developments and changes.



Equality, diversity and inclusion

Planning consultation and communication

Fundraising Standards

The Kirkwood work hard to meet the requirements of the Fundraising Regulator (of which it is a paid-up member), and to follow these standards when planning or undertaking fundraising initiatives. This includes supporting donors who are planning or undertaking their own fundraising initiatives to ensure that these are conducted ethically, and within the law. In addition, donations received are processed following the charity's comprehensive Internal Financial Control Procedures in line with Charity Commission guidance.

All income generation activities are undertaken within charity law, Charity Commission guidelines, the Fundraising Regulator's Codes of Practice, HMRC rules, The Gambling Act, local licensing laws, Advertising Standards Authority rules and Data Protection legislation (this list is not exhaustive). The Kirkwood never sell donor data to third parties, or engage in data swapping, and a statement to this effect is included in our fundraising literature.

However, The Kirkwood see compliance with legislation and codes of practice as a minimum standard, not an aspiration, and we strive to ensure our supporter care is of the same high standard as the care we offer our

beneficiaries. We hope our supporters enjoy and value their interactions with the charity, look forward to receiving information from us, and know we view them as partners in the care we can offer. We work towards these goals throughout all of our income generating activity.

There was a low number of complaints received with regards to our fundraising activities. During this accounting period there was 1 complaint in relation to income generation activities. Employees and volunteers are empowered to deal positively and respectfully with any complaint. The charity has an effective, open and accessible Complaints Policy. We have systems and procedures which promote learning within the organisation and aim to maintain the excellent reputation of the charity. All complaints are audited on a quarterly basis.

The charity does not condone and never employs aggressive fundraising tactics. All contact with donors is always conducted in a caring and professional manner, in line with The Kirkwood's values.

Support groups are branches who undertake their own fundraising initiatives in support of The Kirkwood. They have their own committees, whose accounts are incorporated into The Kirkwood's annual accounts.

Risk management

The Trustees and Executive Management Team have assessed and regularly review the major risks to which The Kirkwood are exposed, particularly those related to finances, operation and provision of The Kirkwood's services. In addition, the Risk and Audit Committee has oversight of the risk management framework and meets on a quarterly basis.

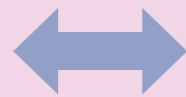
The Executive Management Team has compiled a risk register, which is reviewed every month. The Trustees and Executive Management Team are satisfied that the systems are in place to mitigate exposure to these risks. The following table details the risks that were reported in the last annual report and how the risk rating has changed within the accounting period 2022-23.



Key Risk at the end of Accounting period 2021-22	Change in risk rating during 2022-2023	Commentary
1. Failure to achieve required Fundraising / non-statutory income	↔	The economic climate in which The Kirkwood are operating continues to be challenging, and this is still affecting income generation from some traditional sources. Our main fundraising events have not returned to pre-pandemic levels of income, and while gifts left to The Kirkwood in people's wills were improved, other individual donations were less than we had budgeted. The Kirkwood's retail operation continues to improve year on year, however some of the progress that was planned this year has been delayed.
2. There is inadequate workforce numbers, skills or behaviour to deliver The Kirkwood's objectives	↔	The Kirkwood's workforce attrition during 2022-23 remained high, in particular within clinical services. The employment marketplace is challenging in the UK as there is a shortage of supply across the board, and healthcare roles are among those where there are particular challenges. The current environment has meant that we have experienced difficulties with recruitment. We have completed further engagement work with our internal workforce to optimise our pay and conditions. Key decisions regarding pay have also been made with this in mind. The Kirkwood pay philosophy includes prioritising our ability to attract the best calibre candidates to all roles across the charity, as this is critical to our success and reputation.
3. The Kirkwood's costs are greater than budgeted	↓	The financial environment is changing rapidly and in particular the operating costs are escalating. The Kirkwood have developed improved financial modelling in recent years, which have resulted in more accurate budgets, particularly when forecasting expenditure. We have therefore restated the financial risk relating to expenditure as the risk that cost inflation consistently outstrips income growth. The Kirkwood's current financial model is challenging, however we feel that the likelihood that costs are higher than budgeted and the impact that would result from that is not as significant as the impact of current cost inflation, which is the main pressure.
4. Internal Management Resources not sufficient to meet strategic objectives	↑	Leadership and management resources remain critical for The Kirkwood's success, in the execution of strategic initiatives and the achievement of the charity's goals. Further work has been completed this year to strengthen leadership resources in all areas and to confirm succession plans for Director and management roles.

Key Risk at the end of Accounting period 2021–22	Change in risk rating during 2022–23	Commentary
4. Internal Management Resources not sufficient to meet strategic objectives (cont.)		<p>The wider management team within The Kirkwood has been strengthened by the introduction of new roles in clinical services, income generation and corporate services.</p> <p>However, while we have successfully managed the transition in clinical leadership within the charity, the temporary addition to the Executive Management Team came to an end in January 2023. Since then, The Executive Management Team has been picking up the wider portfolio of work which had been progressed by the Director of Programmes & Support Services. This will have an impact on capacity for strategic initiatives. We will review this capacity within 2023-24.</p>

5. Unauthorised access to electronic confidential information - including Cyber Attack



Cyber-attacks affecting The Kirkwood services, funds or compromising sensitive data could be devastating financially and reputationally, potentially putting vulnerable people at risk. Cyber crime is even more prevalent in the world than previous years.

Like any other organisation, The Kirkwood are increasingly reliant on IT, and cyber criminals make no distinction between charities and business. The health and charity sectors remain particularly vulnerable to cyber-attack.

The Kirkwood have a programme of activities to mitigate this risk as far as possible. We continued to maintain Cyber Essentials and are working towards Cyber Essential Plus. We have also implemented processes to regularly test our own system resilience with our partners and we make a provision within our insurance policy to cover for cyber-attacks.

6. General Infectious outbreak affecting staff and patients.



The novel coronavirus of 2019 is now endemic within the United Kingdom and the approach of government and wider society is to 'live with the virus' and normal life has returned. The infection still creates issues and additional demand within Health and social care from time to time.

The Kirkwood maintained key principles throughout the pandemic, which remain now that the situation has changed; namely that we will take all necessary actions to ensure the safety of patients and other service users, our employees and volunteers and the charity as a whole.

Key Risk at the end of Accounting period 2021–22	Change in risk rating during 2022–23	Commentary
6. General Infectious outbreak affecting staff and patients (cont.)		<p>The Kirkwood have always aimed for high levels of infection prevention and control and implemented measures that vastly reduce the risk of infection transmission, particularly in clinical areas. Since Covid-19, we have made the necessary adaptations to our ways of working in order to manage the risk of infection as business as usual.</p>

The key risks for the organisation at present are as follows:

Key Risk at the end of Accounting period 2022-23	Commentary
1. Failure to achieve required Fundraising / non-statutory income	<p>Like the rest of the world, The Kirkwood are operating in a very difficult financial climate. The cost-of-living crisis, inflation and increasing competition for donations and voluntary income mean that our traditional income streams are uncertain to say the least. There has been a marked change in supporter and consumer behaviour, which means that income continues to be uncertain. Large participation fundraising events continue to be the biggest challenge as the audience for events has shifted.</p> <p>The Kirkwood's strategy is to grow our share of a diminishing market for fundraising in our local area, by continuing to celebrate the full range of support we provide to local people, compared to other charities, and to build more lasting connections with those people who have experience of our care. The change in identity in 2020 has helped us to make improvements and buck the trend in some areas, including our retail offer. We believe that continuing to communicate who we are and what we do in this way, coupled with improvement in supporter and donor stewardship will maximise income opportunities in the future.</p>
2. Cost inflation consistently outstrips income growth	<p>Another obvious impact of the current financial climate and the level of inflation is that costs are increasing at a rate that requires us to generate even higher levels of income just to stand still.</p> <p>At the time of writing this report, the market pay rates within the employment markets in which The Kirkwood operate are uncertain and rising rapidly. The cost of fuel, food and other consumables also continues to increase. The charity has developed robust and sophisticated financial modelling so that we are able to understand the impact of rising costs and develop a considered response. There are internal financial processes and controls that help us to manage and minimise costs where this is possible and the responsibility and management information is distributed across the whole management team.</p>

Key Risk at the end of Accounting period 2021-22

Commentary

3. There is inadequate workforce numbers, skills or behaviour to ensure the success of The Kirkwood

The Kirkwood are experiencing difficulties in recruiting and retaining employees and volunteers in key roles across the organisation. The pandemic has taken its toll on colleagues, impacting both morale and resilience. In addition, there are significant shortages in the employment markets that we rely upon, in healthcare and in other technical disciplines.

We believe this will continue for the foreseeable future. The Kirkwood has established a Workforce and Culture group that will be responsible for updating our People plan; refining our understanding of future workforce needs; building a compelling offer so that we continue to be seen as an 'Employer of choice'; and for revisiting the charity's values.

4. Failure to develop the culture required to adapt to a rapidly changing environment

If The Kirkwood are to be successful in achieving our ambitions, we will need to deliver further changes within our organisation, to adapt to the changing environment in which we operate. The whole workforce, both paid and unpaid will need to work differently in future years, for example sharing responsibility for our aims and embracing technologies.

Failure to execute this change in the organisation and to realise the benefits will result in inefficient use of the charity's resources. We continue to evaluate whether we have the correct leadership and resources to execute the change. We are still addressing some changes in the leadership capacity so that key programmes can be executed properly, e.g. Building the Kirkwood Movement, Digital Journey, Workforce Development and Culture.

5. Internal Management Resources not sufficient to meet strategic objectives

As reported above, The Kirkwood's Executive Management Team are covering a wider portfolio of work since the departure of the Director of Programmes & Support Services. This reduction in capacity will potentially lead to delays in the execution of strategic initiatives, affecting our ability to seize opportunities. It may also result in missed performance targets and the increased workloads could lead to stress among employees, which could potentially impact morale and retention.

It will be a priority for The Kirkwood to address this gap in 2023-24, and we will systematically review all areas of work and strategic initiatives to ensure that additional capacity is secured in the area that will have most impact for The Kirkwood.

The Kirkwood Governance Structure

The Trustees wish to record their sincere appreciation of The Kirkwood's highly committed employees and thank the large number of volunteers who generously give their time, skills and expertise.

The Trustees would also like to express their gratitude to The Kirkwood's many supporters, who have helped the charity through donations, fundraising and bequests during the year. The Kirkwood Movement is made up of tens of thousands of people and we thank them for responding to our requests and appeals throughout what has been a very challenging year.

We would like to thank The Haley Family Charitable Trust for continuing to support the development of our services in Cleckheaton and the Spen Valley. We are appreciative of the R E A Scandinavia Trust and the F V & E Brook Charitable Trust for their significant donations towards the work of The Kirkwood. We thank the Holmfirth Artweek for their ongoing support of The Kirkwood and the generous donation from their prestigious annual art festival.

The Snowdogs Support Life, Kirklees public art trail was one of the most ambitious projects that The Kirkwood have ever delivered, and there were many individuals and organisations who committed wholeheartedly to the vision and were a part of its success. We would like to thank them all, including all the sponsors, schools, volunteers and local people who took part and the individuals who purchased one or more of the sculptures when they went for sale at auction helping us raise much needed funds for our care.

All new employees and volunteers who have joined the team are warmly welcomed. Our sincere thanks go to those who have left in the past year for the contribution they have made to improve care for all those who rely on The Kirkwood's services. In particular, we acknowledge the contribution made by Dr Mary Kiely. After a long and distinguished medical career specialising in palliative care medicine and over twenty-three years' service for The Kirkwood, Dr Kiely retired at the end of 2022. The charity owes Mary a huge debt of gratitude. Her contribution to raising standards and providing high quality palliative treatment and care to patients across Kirklees has been immeasurable, and she will be greatly missed by her colleagues here and elsewhere.

We would like to thank Richard Hitchcock for his contribution in recent years in various roles including as part of the Executive Management Team, taking responsibility for Programmes and Support Services, and for the huge part Richard played in helping The Kirkwood negotiate the challenges presented by the pandemic.

This year saw the completion of tenure for two long serving Trustees. Bernard Ainsworth OBE spent a combined total of 12 years as Trustee, in two periods and over 5 years as the Chair of the Board of Trustees. We will be forever grateful for Bernard's stewardship of the charity during these times. Kath Hinchliffe completed a period of 6 years as Trustee when she completed her duties in March 2023. Most recently Kath helped shape the clinical governance committee as chair, where the charity benefitted greatly from her clinical expertise. In addition, the Trustees would like to thank Ellen Armistead who stepped down as a Trustee after her contributions in recent years.

The Kirkwood benefited from help received from many organisations during the last year, including Local GPs and Primary Care Networks, our local Integrated Care Board, Kirklees Council, Locala Community Partnerships CIC, Local Care Direct, Calderdale and Huddersfield NHS Foundation Trust, The Mid Yorkshire Hospitals NHS Trust, Age UK Calderdale and Kirklees, The Kirklees Care Association, Carers Count, Yorkshire Ambulance Service NHS Trust and South West Yorkshire Partnership NHS Foundation Trust.

The Trustees are very grateful for the continuing relationship with the University of Huddersfield. Our thanks are also due to all of the local businesses and Charitable Trusts who have generously helped to fund a whole range of facilities and services for patients and their families. The Trustees are also grateful for the generous treatment received from many of their professional advisers. At the end of the reporting period for 2022-23 the long-standing partnership with Wheawill and Sudworth Ltd. will come to an end as they concentrate their resources in a different way and move away from contracting with the charity sector. We would like to recognise the support The Kirkwood has had from Wheawill and Sudworth over the past 40 years and wish them every success in the future.

Financial Instruments

The Kirkwood's principal financial instruments comprise bank balances, an investment portfolio, trade creditors and trade debtors. The main purpose of these instruments is to raise funds for the operations of the charity and to finance The Kirkwood's services.

Due to the nature of the financial instruments used by the charity, there is no exposure to price risk other than that which relates to the investment portfolio. To manage this risk, the Finance and Resources Committee (Investment Sub-Committee) meet at quarterly intervals with the investment managers to review performance in the light of the investment management policy. The Kirkwood's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances, the liquidity risk is managed by maintaining credit balances. The Kirkwood makes use of money market facilities when funds are available.

Trade debtors are managed by the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts falling due.

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Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts falling due.

Charity References and Administrative Details

Charity Registration Number
512987

Company Registration Number
1645888

Trustees at at 31st March 2023

Miss L A Chapman
Mrs C Black
Mrs J Davies
Mrs C M Quinn
Prof. P W Roberts OBE
Mr P R Sands
Mr P L Scovell
Dr I Wilson
Mrs C Green
Mrs S Burchell

Life President

Mr D N Stocks

Chair of Trustees

Miss L A Chapman

Company Secretary and Registered Office

Mrs P E Wade DChA FMAAT
21 Albany Road
Dalton
Huddersfield
HD5 9UY

Chief Executive

Mr M Crowther BA(Hons) PgDip

Director of Finance & Resources
Mrs P E Wade DChA FMAAT

Director of Clinical Services
Mrs L Hall-Bentley RGN/RSCN

Medical Director

Dr S Oxberry MBChB BSc(Hons)
FRCP PhD

Director of Income Generation & Marketing

Mr D H Batty BA(Hons) MInstF

Director of Programme & Support Services (Resigned January 2023)

Mr R Hitchcock

Auditor

Wheawill & Sudworth Limited
Chartered Accountants
35 Westgate
Huddersfield
HD1 1PA

Solicitors

Schofield Sweeney
30 Market Street
Huddersfield
HD1 2HG

Honorary Chartered Surveyors

Bramleys
14 St George's Square
Huddersfield
HD1 1JF

Principal Bankers
Lloyds TSB Bank plc
1 Westgate
Huddersfield
HD1 2DN

Investment Managers
Investec Wealth & Investment Limited
Quayside House
Canal Wharf
Leeds
LS11 5PU

**Disclosure of
information to the
auditors**

We, the Trustees, being directors of the company, who held office at the date of approval of these financial statements as set out above each confirm, so far as we are aware, that:

there is no relevant audit information of which the company's auditors are unaware; and

we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

On behalf of the board

Miss LA Chapman
Chair of Trustees

September 2023



Independent Auditor's Report to the members of The Kirkwood

Year Ended
31 March 2023

Independent Auditor's Report to the members of The Kirkwood

We have audited the financial statements of Kirkwood Hospice (the parent charitable company) and its subsidiary (the group) for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and the Parent Charitable Company Balance Sheet, the Consolidated and the Parent Charitable Company Statement of Cash Flows and notes to the financial statements, including 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 parent charitable company's affairs as at 31 March 2023, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended.

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not

cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and

the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

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

adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or

the parent charitable company's financial statements are not in agreement with the accounting records and returns; or

certain disclosures of directors' remuneration specified by law are not made; or

we have not received all the information and explanations we require for our audit.

Opinions on other matters prescribed by the Companies Act 2006

Matters on which we are required to report by exception

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 29, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and 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 report in accordance within this Act.

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

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

We gained an understanding of the legal and regulatory framework applicable to the group and parent charitable company considered the risk of acts by Management and the Trustees which were contrary to applicable laws and regulations, including fraud. We made enquiries of the Trustees to obtain further understanding of risks of non-compliance.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements. Our tests included, but were not limited to:

agreement of the financial statement disclosures to underlying supporting documentation.

enquiries of management regarding known or suspected instances of non-compliance with laws and regulations.

review of minutes of the Trustees' Board meetings throughout the year; and

obtaining an understanding of the control environment in place to prevent and detect irregularities.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement 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 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 groups or 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 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 (i.e., gives a true and fair view).

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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's

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

35 Westgate
Huddersfield
HD1 1PA

September 2023

David Butterworth (Senior Statutory Auditor)

For and on behalf of Wheawill & Sudworth Limited, Statutory Auditor



Consolidated Statement of Financial Activities including income and expenditure account

Year Ended
31 March 2023

**Consolidated Statement
of Financial Activities**
(including income and
expenditure account)

**Year Ended
31 March 2023**

All income and expenditure derive from continuing activities. The statement of financial activities includes all gains and losses recognised during the year.

The notes on pages 61 to 85 form part of these financial statements.

	Note	2023					2022	
		Unrestricted funds	Designated Fixed Asset fund	Designated Project fund	Restricted funds	Endowment funds	Total	Total
		£	£	£	£	£	£	£
Income and endowments from								
Donations and legacies	2	1,601,636	—	—	196,010	—	1,797,646	1,333,957
Charitable activities	3	2,551,671	—	—	104,230	—	2,655,901	3,393,565
Other trading activities	4	4,668,399	—	—	—	—	4,668,399	4,007,192
Other income	4	—	—	—	—	—	—	10,575
Investments	5	133,529	—	—	—	—	133,529	116,579
Total		8,955,235	—	—	300,240	—	9,255,475	8,861,868
Expenditure on								
Raising funds	6	(3,677,500)	—	—	—	—	(3,677,500)	(2,855,869)
Charitable activities	6	(5,721,527)	(268,704)	(341,846)	(214,833)	—	(6,546,910)	(5,927,899)
Other	6	—	—	—	—	—	—	(33,052)
Total expenditure		(9,399,027)	(268,704)	(341,846)	(214,833)	—	(10,224,410)	(8,816,820)
Net gains/(losses) on investments		(418,126)	—	—	—	(517)	(418,643)	138,037
Net income/(expenditure)		(861,918)	(268,704)	(341,846)	85,407	(517)	(1,387,578)	183,085
Tax payable	8	—	—	—	—	—	—	—
Net income/(expenditure) for the financial year		(861,918)	(268,704)	(341,846)	85,407	(517)	(1,387,578)	183,085
Transfers between funds	22	1,003,346	276,105	(1,237,305)	(43,675)	1,529	—	—
Net movement in funds		141,428	7,401	(1,579,151)	41,732	1,012	(1,387,578)	183,085
Reconciliation of funds								
Total funds brought forward	22	6,238,968	4,159,925	1,579,151	94,847	5,403	12,078,294	11,895,209
Total funds carried forward	22	6,380,396	4,167,326	—	136,579	6,415	10,690,716	12,078,294

**THE
KIRKWOOD
SUPPORT
LIFE.**

**SUPPORT
LIFE**

**Consolidated Statement
of Financial Activities**
(including income and
expenditure account)

**Year Ended
31 March 2022**

All income and expenditure derive from continuing activities. The statement of financial activities includes all gains and losses recognised during the year.

The notes on pages 61 to 85 form part of these financial statements.

	Note	2022					2021	
		Unrestricted funds	Designated Fixed Asset fund	Designated Project fund	Restricted funds	Endowment funds	Total	Total
		£	£	£	£	£	£	£
Income and endowments from								
Donations and legacies	2	1,200,179	—	—	133,778	—	1,333,957	1,386,058
Charitable activities	3	2,351,039	—	—	1,042,526	—	3,393,565	3,794,521
Other trading activities	4	4,007,192	—	—	—	—	4,007,192	2,242,946
Other income	4	10,575	—	—	—	—	10,575	297,283
Investments	5	116,579	—	—	—	—	116,579	117,180
Total		7,685,564	—	—	1,176,304	—	8,861,868	7,837,988
Expenditure on								
Raising funds	6	(2,637,598)	—	(218,271)	—	—	(2,855,869)	(2,327,079)
Charitable activities	6	(4,622,761)	—	(160,738)	(1,144,400)	—	(5,927,899)	(5,667,876)
Other	6	(33,052)	—	—	—	—	(33,052)	(444,004)
Total expenditure		(7,293,411)	—	(379,009)	(1,144,400)	—	(8,816,820)	(8,438,959)
Net gains/(losses) on investments		138,037	—	—	—	—	138,037	1,372,452
Net income/(expenditure)		530,190	—	(379,009)	31,904	—	183,085	771,481
Tax payable		—	—	—	—	—	—	(17,347)
Net income/(expenditure) for the financial year		530,190	—	(379,009)	31,904	—	183,085	754,134
Transfers between funds		141,010	(139,850)	—	—	(1,160)	—	—
Net movement in funds		671,200	(139,850)	(379,009)	31,904	(1,160)	183,085	—
Reconciliation of funds								
Total funds brought forward	22	5,567,768	4,299,775	1,958,160	62,943	6,563	11,895,209	11,141,075
Total funds carried forward		6,238,968	4,159,925	1,579,151	94,847	5,403	12,078,294	11,895,209



Consolidated Balance Sheet

Charity Balance Sheet

Consolidated Statement of Cash Flows

Year Ended
31 March 2023

**Consolidated
Balance Sheet
Year Ended 31
March 2023**

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	14	4,167,326	4,159,925
Investments	15	5,266,634	5,610,819
Total		9,433,960	9,770,744
Current assets			
Stocks	16	75,271	69,297
Debtors	17	1,452,133	1,744,212
Cash at bank and in hand		785,753	1,308,725
Total		2,313,157	3,122,234
Creditors: amounts falling due within one year	18	(1,025,472)	(770,549)
Net current assets		1,287,685	2,351,685
Total assets less current liabilities		10,721,645	12,122,429
Creditors: amounts due after more than one year	19	(30,929)	(44,135)
Net assets		10,690,716	12,078,294
Charity Funds			
Endowment funds - Permanent endowment	22	6,415	5,403
Restricted funds	22	136,579	94,847
Unrestricted funds	22	10,547,722	11,978,044
Total charity funds		10,690,716	12,078,294

The financial statements were approved and authorised for issue by the Board on 8th September 2023.

Signed on behalf of the board of Trustees

Miss LA Chapman **Mr P Scovell**
Chair of Trustees Trustee

Company registration number: 1645888

The notes on pages 61 to 85 form part of these financial statements.

**Charity
Balance Sheet
Year Ended 31
March 2023**

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	14	4,167,326	4,159,925
Investments	15	5,266,734	5,610,919
Total		9,434,060	9,770,844
Current assets			
Stocks	16	10,340	9,306
Debtors	17	1,563,212	1,796,466
Cash at bank and in hand		613,171	1,178,502
Total		2,186,723	2,984,274
Creditors: amounts falling due within one year	18	(1,004,020)	(750,777)
Net current assets		1,182,703	2,233,497
Total assets less current liabilities		10,616,763	12,004,341
Charity Funds			
Endowment funds - Permanent endowment	22	6,415	5,403
Restricted funds	22	136,579	94,847
Unrestricted funds	22	10,473,769	11,904,091
Total charity funds		10,616,763	12,004,341

The financial statements were approved and authorised for issue by the Board on 8th September 2023.

Signed on behalf of the board of Trustees

Miss LA Chapman **Mr P Scovell**
Chair of Trustees Trustee

Company registration number: 1645888

The notes on pages 61 to 85 form part of these financial statements.

**Consolidated
Statement of
Cash Flows
Year Ended
31 March 2023**

	Note	Group		Charity	
		2023 £	2022 £	2023 £	2022 £
Cash flow from operating activities	24	(301,100)	(535,627)	(350,955)	(587,980)
Net cash flow from operating activities		(301,100)	(535,627)	(350,955)	(587,980)
Cash flow from investing activities					
Payments to acquire tangible fixed assets		(276,105)	(79,436)	(276,105)	(79,436)
Payments to acquire investments		(1,095,605)	(252,102)	(1,095,605)	(252,102)
Receipts from sales of investments		1,023,803	797,109	1,023,803	797,109
Interest received		2	36	2	36
Dividends received		133,529	116,543	133,529	116,543
Net cash flow from investing activities		(214,376)	582,150	(214,376)	582,150
Cash flow from financing activities					
Payment of bank loan		(7,496)	—	—	—
Net cash flow from financing activities		(7,496)	—	—	—
Net increase in cash and cash equivalents		(522,972)	46,523	(565,331)	(5,830)
Cash and cash equivalents at 1 April 2022		1,308,725	1,262,202	1,178,502	1,184,332
Cash and cash equivalents at 31 March 2023		785,753	1,308,725	613,171	1,178,502
Cash and cash equivalents consists of					
Cash at bank and in hand		743,719	879,873	571,139	749,650
Short term deposits		42,034	428,852	42,034	428,852
Cash and cash equivalents at 31 March 2023		785,753	1,308,725	613,171	1,178,502

The notes on pages 61 to 85 form part of these financial statements.

Notes to the Consolidated Financial Statements

**Year Ended
31 March 2023**

(a) General information and basis of preparation

Kirkwood Hospice is a registered charitable company limited by guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 39 of these financial statements. The nature of the charity's operations and principal activities are detailed in the Trustees report.

The charity constitutes a public benefit entity as defined by FRS 102. 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 United Kingdom and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling, the functional currency of the charity, and rounded to the nearest £. The consolidated statement of financial activities includes the results of the wholly owned subsidiary which operates trading activities in support of the charity.

The statement of financial activities and balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line-by-line basis as the subsidiary and parent have identical purpose. No separate statement of financial activities has been presented for the charity as permitted by Section 408 of the Companies Act 2006 and Section 24 of the SORP (FRS102).

The charity has availed itself of Paragraph 4 (1) of Schedule 1 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and adapted the Companies Act formats to reflect the special nature of the charity's activities.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is

set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity, principally fixed asset investments. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example, the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

The SORP (FRS102) requires gifts in kind donated for resale to be included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold and the income recognised within 'Income from other trading activities'. The Trustees believe that it is impractical to recognise the goods at fair value upon receipt and have therefore continued to include the income when the goods are sold.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

Legacy income is recognised when the charity is entitled to the income. Under SORP (FRS 102) it is the earlier of the charity being notified of an impending distribution or the legacy being received or if, before receipt, there is sufficient evidence that it is probable that the legacy will be received and the value of the incoming resources can be measured with sufficient reliability. When the charity has received notification of a legacy but it is not possible to measure the amount expected the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives grants in respect of its charitable activities. Income from grants is recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends and interest when the amount can be measured reliably.

Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes the cost of commercial trading and their associated support costs.
- Expenditure on charitable activities includes the cost of running and maintaining the hospice along with other costs undertaken to further the purpose of the charity and their associated support costs; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs,

and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings, they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises overheads and other overheads have been allocated pro rata to staff cost basis.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of promoting the charitable activities of the charity.

The analysis of these costs is included in note 7.

(f) Tangible fixed assets

Tangible fixed assets costing £1,000 or more are capitalised at cost (or deemed cost). Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold land	No depreciation provided
Freehold buildings	2% Straight line
Shop fittings	The lower of the life of the lease or 5 years
Furniture, furnishings and equipment	20% Straight line
Computer equipment	33 $\frac{1}{3}$ % Straight line
Motor vehicles	20% Straight line

(g) Investments

Investments are recognised initially at year end fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the Statement of Financial Activities if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment. Investments in subsidiaries are measured at cost less impairment.

(h) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

(i) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(j) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of

economic benefits will be required in settlement and the amount can be reliably estimated.

(k) Leases

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

(l) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. The charity also contributes towards a defined benefit plan for the benefit of its qualifying employees. The scheme is held separately from the charity and administered by the National Health Service Pension Scheme. The charge to the Statement of Financial Activities represents the contributions payable by the charity to the two schemes in accordance with the Charity SORP (FRS102). Further details are provided in note 23.

(m) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(n) Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The charity's business activities together with the factors likely to affect its future performance and development are detailed in the Strategic Report. It is the view of the Trustees that the charity is well placed to manage its business risks successfully. This is evidenced in the financial statements, cash flow and liquidity position as stated in this annual report. In addition, the charity has robust policies and procedures for managing its reserves and its financial risk management objectives. The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The Trustees therefore, believe that the preparation of the financial statements on the going concern basis is appropriate.

The directors have considered the impact of the Covid-19 pandemic and cost of living crisis on the company. Whilst acknowledging that its operations will continue to be affected during 2023–24, the directors believe they have put suitable measures in place to ensure that the company will continue to operate and develop its activities going forward. The directors therefore believe that the preparation of the financial statements on the going concern basis is appropriate.

2. Income from donations and legacies

	2023 £	2022 £
Donation	843,893	757,235
Legacies	953,753	576,722
Total	1,797,646	1,333,957

Income from donations and legacies was £1,797,646 (2022: £1,333,957) of which £1,601,636 (2022: £1,200,179) was attributable to unrestricted funds and £196,010 (2022: £133,778) to restricted funds.

The charity benefits greatly from the involvement and enthusiastic support of its many volunteers, details of these are in the annual report. In accordance with FRS 102 and the charity SORP (FRS 102) the economic contribution of general volunteers is not recognised in the accounts.

3. Income from charitable activities

	2023 £	2022 £
Contractual payments	2,655,901	3,369,803
Performance related grants	–	23,762
Total	2,655,901	3,393,565

Income from charitable activities was £2,655,901 (2022: £3,393,565) of which £2,551,671. (2022: £2,351,039) was attributable to unrestricted funds and £104,230 (2022: £1,042,526) was attributable to restricted funds.

4. Income from other trading activities and other income

	2023 £	2022 £
Income from other trading activities		
Fundraising events	834,456	652,622
Lottery	862,083	780,641
Shop income	2,971,860	2,573,929
Total	4,668,399	4,007,192

Income from other trading activities was £4,668,399 (2022: £4,007,192) all of which was attributable to unrestricted funds.

Other Income

	2023 £	2022 £
Other income		
Coronavirus Job Retention Scheme	–	10,575
Total	–	10,575

Other income of £Nil (2022: £10,576) was all attributable to unrestricted funds.

5. Income from investments

	2023 £	2022 £
Income from investments		
Investment Income	133,527	116,543
Interest	2	36
Total	133,529	116,579

Income from investments was £133,529 (2022: £116,579) all of which was attributable to unrestricted funds.

6. Analysis of expenditure

	Staff Costs 2023 £	Other Costs 2023 £	Depreciation 2023 £	Support Costs 2023 £	Total 2023 £
Raising Funds					
Merchandising	1,416,174	959,903	47,013	17,356	2,440,446
Lottery	78,723	228,000	–	1,963	308,686
Fundraising	353,161	386,473	–	164,492	904,126
Investment	–	(44)	–	24,286	24,242
Total	1,848,058	1,574,332	47,013	208,097	3,677,500
Charitable activities					
In-Patient care	2,741,838	145,617	34,705	1,170,397	4,092,557
Support & Therapy Centre	224,797	11,880	–	96,529	333,206
Community Palliative Care	1,019,297	21,281	–	429,614	1,470,192
Family Care Team	198,486	9,898	–	86,336	294,720
Information & education	218,982	13,138	–	124,115	356,235
Total	4,403,400	201,814	34,705	1,906,991	6,546,910
Support costs					
Personnel & volunteers	196,817	73,624	–	(270,441)	–
Finance & information	173,016	50,653	–	(223,669)	–
Projects & administration	677,349	638,576	186,001	(1,501,926)	–
Total Support Costs	1,047,182	762,853	186,001	(1,996,036)	–
Total Resources Expended	7,298,640	2,538,999	267,719	119,052	10,224,410

Expenditure on raising funds was £3,677,500 (2022: £2,855,869) all of which was attributable to unrestricted funds. Expenditure on charitable activities was £6,546,910 (2022: £5,927,899) of which £214,833 (2022: £1,144,400) was attributable to restricted funds and £6,332,077 (2022: £4,793,745) was attributable to unrestricted funds. Other expenditure of £Nil (2022: £33,052) was staffing costs relating to employees furloughed under the Job Retention Scheme.

6. Analysis of expenditure (continued)

	Staff Costs 2022	Other Costs 2022	Depreciation 2022	Support Costs 2022	Total 2022
	£	£	£	£	£
Raising Funds					
Merchandising	1,238,425	632,188	10,246	13,601	1,894,460
Lottery	78,638	223,440	—	2,767	304,845
Fundraising	336,233	144,095	—	152,946	633,274
Investment	—	—	—	23,290	23,290
Total	1,653,296	999,723	10,246	192,604	2,855,869
Charitable activities					
In-Patient care	2,545,526	142,298	29,343	1,031,295	3,748,562
Support & Therapy Centre	190,421	10,605	(8,283)	80,441	273,184
Community Palliative Care	899,225	12,425	—	361,704	1,273,354
Family Care Team	192,601	5,832	—	79,950	278,383
Information & education	211,692	13,665	—	129,060	354,417
Total	4,039,465	184,825	21,060	1,682,549	5,927,899
Other expenditure					
	33,052	—	—	—	33,052
Total	33,052	—	—	—	33,052
Support costs					
Personnel & volunteers	199,550	84,113	(1,357)	(282,306)	—
Finance & information	174,950	36,879	—	(211,829)	—
Projects & administration	537,726	538,978	179,432	(1,256,136)	—
Total Support Costs	912,226	659,970	178,075	(1,750,271)	—
Total Resources Expended	6,638,039	1,844,518	209,381	124,882	8,816,820

7. Allocation of support costs

	Personnel & Volunteers 2023	Finance & information 2023	Projects & Administration 2023	Total 2023
	£	£	£	£
Raising funds	20,079	16,607	111,514	148,200
In-Patient care	155,891	128,930	865,760	1,150,581
Support & Therapy Centre	12,781	10,571	70,982	94,334
Community Palliative Care Team	57,954	47,931	321,851	427,736
Family Care Team	11,285	9,333	62,674	83,292
Information and education	12,451	10,297	69,145	91,893
Total	270,441	223,669	1,501,926	1,996,036
	Personnel & Volunteers 2022	Finance & information 2022	Projects & Administration 2022	Total 2022
	£	£	£	£
Raising funds	21,693	16,277	96,523	134,493
In-Patient care	164,229	123,230	730,746	1,018,205
Support & Therapy Centre	12,285	9,218	54,665	76,168
Community Palliative Care Team	58,015	43,532	258,141	359,688
Family Care Team	12,426	9,324	55,290	77,040
Information and education	13,658	10,248	60,771	84,677
Total	282,306	211,829	1,256,136	1,750,271

8. Tax charge

	2023	2022
	£	£
On activities of subsidiary company	—	—

All of the above charge is attributable to unrestricted funds.

9. Investment management costs

	2023	2022
	£	£
Investment manager fees	19,769	21,176

All of the above costs are attributable to unrestricted funds and included within raising funds costs.

10. Audit fees

	2023 £	2022 £
Fees payable to the charity's auditor for audit	12,500	12,500
Fees payable to the charity's auditor for other services	1,000	1,000

All of the above costs are attributable to unrestricted funds and included within support costs. Included within the audit fee is £2,000 (2022: £2,000) for the audit of the subsidiary.

11. Net income/ (expenditure) for the year

Net income/(expenditure) is stated after charging / (crediting):	2023 £	2022 £
Depreciation of tangible fixed assets	268,704	219,286
Operating lease rentals	390,090	305,274
Trustees indemnity insurance	1,235	1,340
Net losses/(gains) on fair value movement of investments	653,518	57,562

12. Trustees' and key management personnel remuneration and expenses

The Trustees neither received nor waived any remuneration during the year (2022: £Nil).

The Trustees did not have any expenses reimbursed during the year (2022: £Nil).

The total amount of employee benefits received by key management personnel is £530,406 (2022: £424,924). The charity considers its key management personnel comprises the Chief Executive, the Director of Finance and Resources, the Director of Clinical Services, the Medical Director, the Director of Income Generation & Marketing and the Director of Programmes and Support Services.

13. Staff costs and employee benefits

The average monthly number of employees and the full time equivalent (FTE) during the year was as follows:

	2023		2022	
	Average	FTE	Average	FTE
Nursing & Medical	115	80	115	77
Education	6	4	5	3
Catering & Domestic	23	16	24	16
Administration	26	18	25	16
Fundraising & Marketing	92	64	91	61
Total	262	182	260	173

The total staff costs and employee benefits were as follows:

	2023 £	2022 £
Wages and salaries	5,960,146	5,424,127
Social security	529,403	475,396
Defined contribution pension costs	471,389	420,177
Consultancy and temporary staff fees	337,702	318,340
Total	7,298,640	6,604,059

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	2023 Number	2022 Number
£60,001 – £70,000	2	2
£70,001 – £80,000	–	–
£80,001 – £90,000	3	2
£90,001 – £100,000	1	1
Total	6	5

14. Tangible fixed assets – Group and Charity

	Freehold land and buildings £	Furniture, furnishings, vehicles & equipment £	Total £
Cost			
At April 1 2022	5,650,446	2,255,204	7,905,650
Additions	–	276,105	276,105
Disposals	–	–	–
At 31 March 2023	5,650,446	2,531,309	8,181,755
Depreciation			
At 1 April 2022	1,670,447	2,075,278	3,745,725
Charge for the year	112,592	156,112	268,704
Eliminated on disposals	–	–	–
At 31 March 2023	1,783,039	2,231,390	4,014,429
Net book value			
At 31 March 2023	3,867,407	299,919	4,167,326
At 31 March 2022	3,979,999	179,926	4,159,925

Included within freehold land & buildings is non-depreciable freehold land amounting to £21,000 (2022: £21,000). The Trustees believe that it is not practical to quantify any difference between the cost of freehold land and buildings and the fair value.

15. Fixed asset investments

Group	Listed investments		
	Unrestricted funds £	Endowment funds £	Total £
Valuation			
At 1 April 2022	5,605,416	5,403	5,610,819
Additions	1,094,076	1,529	1,095,605
Disposals	(1,023,803)	—	(1,023,803)
Revaluation	(415,470)	(517)	(415,987)
At 31 March 2023	5,260,219	6,415	5,266,634
Cost			
At 31 March 2023	4,280,510	3,361	4,283,871
At 31 March 2022	3,975,664	1,863	3,977,527
		2023	2022
Investments at fair value comprise		£	£
Equities		3,131,875	3,811,464
Securities		2,134,759	1,799,355
		5,266,634	5,610,819

15. Fixed asset investments (cont.)

Charity	Listed investments		Equity investment in subsidiary undertaking £	Total £
	Unrestricted funds £	Endowment funds £		
Valuation				
At 1 April 2022	5,605,416	5,403	100	5,610,919
Additions	1,094,076	1,529	—	1,095,605
Disposals	(1,023,803)	—	—	(1,023,803)
Revaluation	(415,470)	(517)	—	(415,987)
At 31 March 2023	5,260,219	6,415	100	5,266,734
Cost				
At 31 March 2023	4,280,510	3,361	100	4,283,971
At 31 March 2022	3,975,664	1,863	100	3,977,627
			2023	2022
Investments at fair value comprise			£	£
Equities			3,131,875	3,811,464
Securities			2,134,759	1,799,355
Group undertakings			100	100
Total			5,266,734	5,610,919

The fair value of listed investments is determined by reference to the quoted price for identical assets in an active market at the balance sheet date.

Investments in group undertakings are measured at cost less impairment on the basis that they represent shares in entities that are not publicly traded and the fair value cannot otherwise be measured reliably.

The charity's equity investment in subsidiary undertaking is a 100% holding in the ordinary share capital of Kirkwood Hospice Enterprises Limited, a company incorporated in England & Wales (company number 7368034). The charity holds 100 shares of £10 each, these are the only shares allotted, called up and fully paid.

It pays all of its profits to the charity under the gift aid scheme. Kirkwood Hospice Enterprises Limited operates all commercial trading activity as fundraising in support of the charity. A summary of the trading results is shown on the next page:



15. Fixed asset investments (cont.)

	2023 £	2022 £
Turnover	285,461	198,827
Cost of sales and administration costs	(247,249)	(156,558)
Other operating income	38,880	(5,212)
Profit before tax	77,092	37,057
Tax on profit	–	–
Profit after tax	77,092	37,057
Amount gift aided to the charity	77,092	(37,057)
Retained in the subsidiary	–	–
The assets and liabilities of the subsidiary were:		
Current assets	242,289	205,356
Current liabilities	(137,307)	(87,168)
Creditors: amounts falling due after more than one year	(30,929)	(44,135)
Total net assets	74,053	74,053
Aggregate share capital and reserves	74,053	74,053

16. Stocks

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Catering & housekeeping	4,259	3,720	4,259	3,720
Medical supplies	6,081	5,586	6,081	5,586
Shop and fundraising goods	64,931	59,991	–	–
Total	75,271	69,297	10,340	9,306

Stock held is for use to further the charity's activities or for sale in the charity and gift shops.

17. Debtors

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade debtors	407,309	164,507	404,471	164,507
Taxation debtor	53,759	27,429	59,826	23,742
Amounts owed by group undertakings	–	–	109,788	67,427
Prepayments and accrued income	553,864	1,399,710	551,926	1,388,225
Legacies notified in advance	437,201	152,565	437,201	152,565
Total	1,452,133	1,744,212	1,563,212	1,796,466

18. Creditors: amounts falling due within one year

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade creditors	326,463	198,975	318,746	187,028
Other and social security	123,683	119,584	123,683	119,584
Corporation tax	–	–	–	–
Accruals	302,190	239,828	300,030	237,868
Deferred income (note 21)	261,561	206,297	261,561	206,297
Bank Loan	11,575	5,865	–	–
Total	1,025,472	770,549	1,004,020	750,777

19. Creditors: amounts falling due after more than one year

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Bank Loan	30,929	44,135	–	–
Total	30,929	44,135	–	–

The bank loan is due to be repaid by monthly instalments starting in July 2022 and will be repaid in full over 6 years. The amount repayable in instalments which falls due after more than 5 years from the balance sheet date is £Nil (2022: £5,866). Interest at 2.5% is due on the amount outstanding.

20. Leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Not later than one year	385,474	244,205	377,724	237,207
Later than one and not later than five years	823,309	644,161	809,746	624,910
Later than five years	–	133,333	–	133,333
Total	1,208,783	1,021,699	1,187,470	995,450

21. Deferred Income – Group and Charity

	Under 1 year £	Over 1 year £	Total
At 1 April 2022	206,297	–	206,297
Additions during the year	2,045,354	–	2,045,354
Amounts released to income	(1,990,090)	–	(1,990,090)
At 31 March 2023	261,561	–	261,561

	Under 1 year £	Over 1 year £	Total
At 1 April 2021	158,791	–	158,791
Additions during the year	187,500	–	187,500
Amounts released to income	(139,994)	–	(139,994)
At 31 March 2022	206,297	–	206,297

Income has been deferred which has been received in advance for future lottery draws of £61,128 (2022: £70,678) and for funding relating to future periods of £200,433 (2022: £135,619).

22. Fund reconciliation

Unrestricted funds – group	Balance at 1 April 2022 £	Income £	Expenditure £	Investment gains/losses £	Transfers £	Balance at 31 March 2023 £
Unrestricted	6,238,968	8,955,235	(9,399,027)	(418,126)	1,003,346	6,380,396
Designated Fixed Asset fund	4,159,925	–	(268,704)	–	276,105	4,167,326
Designated Project fund	1,579,151	–	(341,846)	–	(1,237,305)	–
Total	11,978,044	8,955,235	(10,009,577)	(418,126)	42,146	10,547,722

Unrestricted funds – group	Balance at 1 April 2021 £	Income £	Expenditure £	Investment gains £	Transfers £	Balance at 31 March 2022 £
Unrestricted	5,567,768	7,685,564	(7,293,411)	138,037	141,010	6,238,968
Designated Fixed Asset fund	4,299,775	–	–	–	(139,850)	4,159,925
Designated Project fund	1,958,160	–	(379,009)	–	–	1,579,151
Total	11,825,703	7,685,564	(7,672,420)	138,037	1,160	11,978,044

Unrestricted funds – charity	Balance at 1 April 2022 £	Income £	Expenditure £	Investment gains £	Transfers £	Balance at 31 March 2023 £
Unrestricted	6,165,015	8,707,986	(9,151,778)	(418,126)	1,003,346	6,306,443
Designated Fixed Asset fund	4,159,925	–	(268,704)	–	276,105	4,167,326
Designated Project fund	1,579,151	–	(341,846)	–	(1,237,305)	–
Total	11,904,091	8,707,986	(9,762,328)	(418,126)	42,126	10,473,769

Unrestricted funds – charity	Balance at 1 April 2021 £	Income £	Expenditure £	Investment gains £	Transfers £	Balance at 31 March 2022 £
Unrestricted	5,493,815	7,529,006	(7,136,853)	138,037	141,010	6,165,015
Designated Fixed Asset fund	4,299,775	–	–	–	(139,850)	4,159,925
Designated Project fund	1,958,160	–	(379,009)	–	–	1,579,151
Total	11,751,750	7,529,006	(7,515,862)	138,037	1,160	11,904,091

Restricted Funds – Group and Charity	Balance at 1 April 2022 £	Income £	Expenditure £	Investment gains £	Transfers £	Balance at 31 March 2023 £
Restricted fixed asset fund	5,983	16,259	–	–	(16,014)	6,228
Capital works	–	100,000	–	–	–	100,000
Music Therapy	5,850	376	(6,226)	–	–	–
S&T Refurb	21,000	–	–	–	(21,000)	–
CNS Development	55,112	173,678	(203,207)	–	–	25,583
Other	6,902	9,927	(5,400)	–	(6,661)	4,768
	94,847	300,240	(214,833)	–	(43,675)	136,579
Endowment	5,403	–	–	(517)	1,529	6,415
Total	100,250	300,240	(214,833)	(517)	(42,146)	142,994

22. Fund reconciliation (cont.)

Restricted Funds – Group and Charity	Balance at 1 April 2021 £	Income £	Expenditure £	Investment gains £	Transfers £	Balance at 31 March 2022 £
Restricted fixed asset fund	5,983	–	–	–	–	5,983
Hospice UK/NHSE	–	1,018,764	(1,018,764)	–	–	–
Share and Care fund	–	15,500	(15,500)	–	–	–
Breathe Better fund	–	8,263	(8,263)	–	–	–
Music Therapy	–	13,500	(7,650)	–	–	5,850
Care Co-ordination	–	5,000	(5,000)	–	–	–
S&T Refurb	21,000	–	–	–	–	21,000
CNS Development	16,500	84,448	(45,836)	–	–	55,112
Other	19,460	30,829	(43,387)	–	–	6,902
	62,943	1,176,304	(1,144,400)	–	–	94,847
Endowment	6,563	–	–	–	(1,160)	5,403
Total	69,506	1,176,304	(1,144,400)	–	(1,160)	100,250

Fund descriptions

a) Unrestricted funds

The general funds are available for the use at the discretion of the charity in furtherance of the general objectives as detailed in the Trustees report.

b) Designated funds

Kirkwood Hospice has clear policy and procedures to guide its management of reserves. The policy clarifies in more detail that the charity will hold designated funds to provide for specific future projects that are unlikely to be met by future income alone.

A review of the financial position as at 31 March 2017 confirmed that the general reserve was 20 months of charitable expenditure, which equated to the charity holding £1.5million in excess of their reserves policy at the time. As a result of this position, the £1.5 million was transferred to the designated project fund. It should be noted that £950,000 was transferred to this fund during 2016 and 350,000 was transferred to this fund during 2020-21.

During the year ending 31st March 2023 a total of £341,846 was expended as planned during the accounting period meaning the balance of the fund was £1,237,305. The fund was used for the following:

- Brand Activation including continuation of the work to renew The Kirkwood’s shop fronts and The Kirkwood Art Sculpture Trail.
- Set up costs for additional retail premises – Online Trading facility at Sands Mill warehouse, Mirfield. New distribution Centre at Bradford Road, Huddersfield and new charity shop premises at Paddock.

- IT, Digital and Estates Transformation – Project initiation for The Kirkwood’s Digital Transformation Programme and associated project costs.
- Connect with The Kirkwood – a new service to provide a central point of contact for people who need advice, support and guidance on the various ways The Kirkwood can help both the patient and those closest to them.

Future allocation of the fund

During the budget setting process for 2023-24 budgets, it was clear that another challenging year financially was ahead. Once again increases to the national minimum wage from £9.50 to £10.42 (9.69%), continued high inflation and energy costs needed to be factored into expenditure budgets. Looking at how the potential 2023-24 outturn would impact reserves, trustees made the decision to un-designate the Designated Project Fund as at 31st March 2023. This transaction can be viewed on page 52. It means that the balance of the fund as at 31st March 2023 of £1,237,305 has been returned to un-restricted funds.

The fixed asset designated fund comprises assets which were purchased to further the aims of the charity and are not considered to be restricted assets.

c) Restricted funds

The restricted fixed asset fund includes restricted income which has been received for equipment for the charity.

The Clinical Nurse Specialist (CNS) Development Programme received £69,448. This comprised of £63,948 from the Haley Family Trust, £2,000 from the Hospital Saturday Fund, £2,500 from The Grace Trust, and £1,000 from Arnold Clark Community Fund.

The costs of nurse prescribing training for the specialist community nursing team were funded by Sovereign Health - £4482 and Thirplow Char £2,500.

The Brook Charitable Foundation provided a donation of £100,000 for future capital works.

Other restricted income consists of various amounts assigned to specified activities.

d) Endowment funds

The endowment fund is made up of investments transferred to the charity on condition that the capital should be retained and the income generated either retained or used to support the charities general activities, income generated by the endowment fund is considered to be unrestricted income.

23. Analysis of net assets between funds

Group	Unrestricted funds 2023 £	Designated funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
Fixed assets	5,260,219	4,167,326	–	6,415	9,433,960
Cash & current investments	649,174	–	136,579	–	785,753
Other current assets	1,527,404	–	–	–	1,527,404
Liabilities	(1,056,401)	–	–	–	(1,056,401)
Total	6,380,396	4,167,326	136,579	6,415	10,690,716

Group	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
Fixed assets	5,605,416	4,159,925	–	5,403	9,770,744
Cash & current investments	(365,273)	1,579,151	94,847	–	1,308,725
Other current assets	1,813,509	–	–	–	1,813,509
Liabilities	(814,684)	–	–	–	(814,684)
Total	6,238,968	5,739,076	94,847	5,403	12,078,294

Charity	Unrestricted funds 2023 £	Designated funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
Fixed assets	5,260,319	4,167,326	–	6,415	9,434,060
Cash & current investments	476,592	–	136,579	–	613,171
Other current assets	1,573,552	–	–	–	1,573,552
Liabilities	(1,004,020)	–	–	–	(1,004,020)
Total	6,306,443	4,167,326	136,579	6,415	10,616,763

Charity	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
Fixed assets	5,605,516	4,159,925	–	5,403	9,770,844
Cash & current investments	(495,496)	1,579,151	94,847	–	1,178,502
Other current assets	1,805,771	–	–	–	1,805,771
Liabilities	(750,777)	–	–	–	(750,777)
Total	6,165,014	5,739,076	94,847	5,403	12,004,340

General reserves - Group	2023 £	2022 £
Unrestricted funds	10,054,772	11,978,044
Invested in tangible fixed assets	(4,167,326)	(4,159,925)
Designated project fund	–	(1,568,053)
General Reserve	6,380,396	6,250,066

24. Reconciliation of net income/(expenditure) to net cash flow from operating activities and analysis of changes in net debt

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Net income/(expenditure) for year	(1,387,578)	183,085	(1,387,578)	183,085
Interest receivable	(2)	(36)	(2)	(36)
Dividends receivable	(133,529)	(116,543)	(133,529)	(116,543)
Depreciation of tangible fixed assets	268,704	219,286	268,704	219,286
Tax on profit	–	–	–	–
Losses/(gains) on investments	650,519	57,562	650,519	57,562
(Profit) on disposal of fixed asset investments	(234,532)	(193,149)	(234,532)	(193,149)
(Increase)/decrease in stock	(5,974)	3,255	(1,034)	(12)
(Increase)/decrease in debtors	292,079	(575,920)	233,254	(632,342)
(Decrease)/increase in creditors	249,213	(113,167)	253,243	(105,831)
Net cash flow from operating activities	(301,100)	(535,627)	(350,955)	(587,980)

Net debt reconciliation – group only

	1 April 2022 £	Cash flows £	31 March 2023 £
Bank loan	(50,000)	7,496	(42,504)
Total liabilities	(50,000)	7,496	(42,504)
Cash and cash equivalents (page 59)	1,308,725	(522,972)	785,753
Total	1,258,725	(515,476)	(743,249)

25. Pensions and other post-retirement benefits

Employees of the charity are entitled to join either the NHS Pensions Scheme (eligible employees only), or the Kirkwood Hospice Stakeholder Pension Plan.

NHS Pension Scheme

Eligible employees are able to remain in the NHS Pensions Scheme as if they were still in the employment of an employing authority. The NHS Pension Scheme is an unfunded occupational pension scheme backed by the Exchequer, which is open to all NHS employees and employees of approved organisations. The scheme provides pensions, in varying circumstances for employees of participating employers. The scheme receives contributions from employers and employees to defray the costs of pensions and other benefits. The scheme is subject to a full actuarial valuation every four years and an accounting valuation every year. Details of benefits payable, and the basis for valuations under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs/pensions. The scheme is accounted for as a multi-employer scheme under the Charity SORP (FRS102) and, as no surplus or deficit is able to be identified and allocated to the separate employer, the contributions have been accounted for as a defined contribution scheme and no share of the surplus or deficit included in these financial statements.

In the year ended 31 March 2023, the charity made contributions to the NHS Pension Scheme totalling £299,946 (2022: £264,710). Employer contributions were 14.38% and employee contributions were in the range of 5.6% to 13.5% of pensionable pay.

Other Pension Schemes

Other employees are entitled to join the AEGON - Kirkwood Hospice Stakeholder Pension Plan, which is a defined contribution scheme. The contribution rates for this scheme are 7.5% of pensionable pay for the employer and 6% of pensionable pay for the employee. New employees are auto enrolled if eligible into this scheme, the contribution rates being 5% for the employer and 5% for the employee. The employee then has the option to increase their contributions to 6% if they so wish. In the year ending 31 March 2023, the charity paid contributions to the schemes totalling £171,442 (2022: £144,085).

The contributions are allocated to unrestricted funds.

26. Contingent asset

At the year end the charity had 7 legacies (2022: 6) confirmed which the Trustees believe are unable to be measured reliably as the solicitors at present are unable to quantify the value of the proposed estate.

27. Financial commitments

During the year donations totalling £644 (2022 - £877), excluding the value of donated goods, were received from Trustees, none of these had conditions attached. There were no other related party transactions.

28. Related party transactions

The charity is controlled by the Trustees. No one Trustee has ultimate control.



Getting in touch

Connect with The Kirkwood Advice Line

01484 557 910

The Kirkwood Main Reception

01484 557 900

Fundraising

01484 557 911

Website

thekirkwood.org.uk

Email

info@thekirkwood.org.uk

Address

The Kirkwood
21 Albany Road
Dalton, Huddersfield
HD5 9UY



Our support began as a hospice, but today it is a promise: to support the life and legacy of all of those affected by a life limiting illness.

We help those in our care to live well and to make the most of every single day. We make the complex simple by focussing on what's important. And we support families and loved ones to live on – and live well.

We're here for local people across our community whenever and wherever they need us, helping to improve their quality of life – in the ways that matter most to them.

Through thick and thin, giant hugs and bottomless mugs, we support life for anyone affected by a life limiting illness here in Kirklees.