

ST LUKE'S HOSPICE
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020



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ST LUKE'S HOSPICE

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

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ST LUKE'S HOSPICE

CHAIR'S REPORT 2019-20

YEAR ENDED 31 MARCH 2020

Welcome to the St Luke's Annual Trustees' Report and Financial Statements 2019-20

These are truly unprecedented times. I write this year's report as we emerge from the first wave of the Coronavirus pandemic, a pandemic which has changed so much that we had previously taken for granted. Across the world, the plans of people, businesses and indeed charities have been turned upside-down through enforced lockdown and huge uncertainty. We have seen government interventions of previously unimaginable scales, as countries try to deal with the health and economic fallout of Covid-19.

St Luke's has been affected in so many ways. Throughout this Trustees' Report you'll find sections that outline some of the issues we've faced, and continue to face. But the good news is that St Luke's is still here, and still working for Sheffield.

With everything that is happening now, it is easy to forget the year which this review actually covers. You'll find lots of information in the Trustees' Report, and I would urge you to take a look at St Luke's Impact Report 2020 which is full of facts, figures and stories from another remarkable year. You can find the Impact Report at <http://www.stlukeshospice.org.uk/welcome/quality-account>.

During the year we looked after a record 1,834 patients, and with their families and the clients at Clifford House we supported around 6,000 people in total. We saw the highest proportion of non-cancer patients we've ever recorded (27%) showing that St Luke's is spreading its care into new fields and conditions, and we helped 538 people with bereavement support and counselling through our dedicated team.

Some people still think that St Luke's is just a building helping people in the south-west of the city. But that's far from the truth. During 2019-20 over 1,700 of our patients were cared for in their own homes across Sheffield. Our community team made 6,889 home visits, travelling 55,000 miles in doing so! And our patients were spread evenly across the city – 40% from the north, 23% from the centre and 37% from the south. St Luke's really is a charity that cares for the whole community.

Innovation is at the heart of what we do. And it is always pleasing when initiatives come to fruition. St Luke's was the first organisation in England to become a hub for Project ECHO, an innovative video-mentoring programme allowing communities of health practitioners to learn and develop skills and practices. St Luke's is now one of four UK superhubs, training and developing organisations across the UK – including healthcare partners, CCGs and other hospices. In Sheffield, ECHO technology allows St Luke's to support and develop palliative care in nursing and care homes, across GP practices, and with vulnerable and hard to reach groups such as the homeless community. With the potential to reach thousands of health and social care practitioners and positively impact upon the care of tens of thousands of people, ECHO is transforming the healthcare landscape in the city. During the pandemic, St Luke's has been at the forefront in using ECHO to enable improved care for patients in nursing and care homes, in their own homes, and those who are homeless – and to help those caring for those patients stay safe.

Project ECHO is just one example of the imagination, innovation and quest for excellence in care that typifies St Luke's approach. We have wonderful employees and volunteers who create a unique blend, whether caring for patients, raising money, or the myriad of activities between that come together to make it such a special place. And without the supporters who help to provide the vital funding by making donations, buying goods or attending events, none of this would be possible. I thank everyone who makes it possible.

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CHAIR'S REPORT 2019-20

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In reflecting on a successful year, I would like to thank Peter Hartland, Chief Executive, together with the Executive Team, who have led the organisation so admirably. Jo Lenton and Dr Sam Kyeremateng have led our caring services with dedication and innovation; Tony Saunders has helped create a strong financial environment and effective systems; Kathryn Burkitt has led the growth of income through new retail and fundraising strategies; and Helen Day joins the team to lead our HR, Volunteering, Learning and Development activities. We're very lucky to have such experience and commitment.

Sadly, Lisa Nos, Director of People, Culture and Performance, will be leaving St Luke's after 10 years – not bad for someone who originally joined us on a 6 month contract! Lisa has helped us work through difficult times to recent successes, and we'll truly miss her enthusiasm and expertise. We wish her well for her future endeavours. We've also said goodbye to Petra Billing as a trustee – Petra was with St Luke's through its successful capital appeal for the In Patient Centre, and has shown wonderful commitment over eight years.

The 2019-20 year sees St Luke's report a net increase in funds of £210k, an excellent result. As ever, accounting for legacies means that the results can be somewhat difficult to interpret, but underlying that headline figure was a small 'operating surplus.' Net assets have grown to £9m, with free reserves of £1.2m. This gives us a strong financial base from which to weather the storms of the pandemic, although those storms are very strong.

The response of the St Luke's team to the pandemic has been remarkable. The charity has maintained the majority of its services throughout, extended its activity into new vital areas, and helped to positively improve and influence the quality of care experienced by patients and families affected by the pandemic (directly and indirectly). The team has supported the healthcare system across our city, responding to some of the worst affected areas such as care homes and the homeless, despite the problems arising from PPE shortages, furloughed staff, and the general heightened anxiety we've all faced. As Trustees, we thank all those who've worked so hard, and we're proud and humbled by their selfless contribution.

During the pandemic St Luke's has focused on a clear strategy – to stay safe, maintain services, keep the money coming in, and care for our vulnerable volunteers and clients. This has helped us get through so far, with invaluable support from supporters, NHS Sheffield CCG, and the government through funding and support initiatives (assisted by Hospice UK, the national charity representing hospice and palliative care). We thank everyone who has helped.

The impact of the pandemic is by no means over and we face change and a continuing fight, but with the commitment of our team, led by the Executive, I'm confident that St Luke's will get through this crisis. I thank everyone – now and in the future – who cares for our charity and gives it their support. St Luke's is precious and we need to protect it for future generations. I know that my fellow Trustees will do what they can to ensure this happens, and as I close, I thank them for their contribution over a busy and challenging year.



Neil MacDonald

Chair of the Board of Trustees
St Luke's Hospice, Sheffield

ST LUKE'S HOSPICE

TRUSTEES' ANNUAL REPORT (Including Directors' Report and Strategic Report)

YEAR ENDED 31 MARCH 2020

The Trustees present their report and the audited financial statements of the charity for the year ended 31 March 2020. 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.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

St Luke's Impact Report and Quality Account

Each year St Luke's produces a comprehensive **Impact Report** which gives a wide-ranging picture of the activities and achievements of the year, and a view of future initiatives. The 2020 Impact Report can be found at <http://www.stlukeshospice.org.uk/welcome/quality-account> and hard copies can be requested directly from St Luke's if required.

Additionally, St Luke's produces an annual **Quality Account** which is shared with the Care Quality Commission but is publicly available. The Quality Account gives a more clinically-focused review of activity and priorities, including quality improvement initiatives. A copy of this report can be found at <http://www.stlukeshospice.org.uk/welcome/quality-account>.

Whilst this Trustee Report gives an overview of activity and achievements, we refer readers to these other publicly available reports which give a wider and more comprehensive picture of the great work done by the charity.

Covid-19

It is important to state that the period covered by this Trustee Report and Accounts ended at the commencement of the Covid-19 lockdown period. The pandemic is having a significant impact upon people, organisations and services – and St Luke's is not immune. At the time of writing we're proud to state that the charity has maintained the majority of its services throughout, extended its activity into new vital areas, and helped to positively affect and influence the quality of care experienced by patients and families affected by the pandemic (directly and indirectly).

This has been achieved despite a devastating decline in self-generated income during the period. We are extremely grateful to HM Government which has offered lifeline support through additional specific contractual support, as well as the range of initiatives open to most businesses. We thank Hospice UK, the national charity supporting hospice and palliative care, for their engagement with government on our behalf. We acknowledge the ongoing support of NHS Sheffield CCG, our statutory commissioning body. And we thank many, many dedicated supporters who have contributed financially, or through donations of PPE, goods and services, or who have sent the St Luke's team their good wishes and motivational cakes, chocolate and other treats to help through the difficult times.

As trustees we acknowledge the remarkable work and dedication of the St Luke's team throughout this period. This includes not only those who have worked throughout the crisis, often in difficult circumstances, but also those staff who have been asked to furlough and volunteers who have been asked to shield. Through these collective efforts St Luke's has been able to keep going, to deliver for those who need its services, and to plan for recovery.

The path to recovery will be a long one for the country and it is no different for St Luke's. There will inevitably be changes in the medium-term, some arising from learnings during the pandemic and other from financial challenges to our sustainability, but the trustees are clear that St Luke's will be here for future generations.

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Our vision of care

St Luke's is dedicated to the wellbeing of the terminally ill in Sheffield and their loved ones. No patient or family is ever the same, and our journey with each individual is unique. Above all, we are about life, and enabling our patients and their loved ones to live theirs and die with dignity and respect.

Our vision

Supporting and caring for everyone affected by terminal illness in Sheffield.

Our mission

To deliver the best possible palliative care in Sheffield, whilst developing and driving continual improvements for everyone affected by terminal illness.

Our values

- Dignified – In everything we do, we provide and nurture an environment that ensures a dignified, respectful and human experience for everyone in our care.
- Compassionate – Compassion is at the heart of St Luke's, expressed by human kindness and a selfless, benevolent concern for the wellbeing of everyone we care for no matter what their circumstances.
- Inspired – Inspired by those we care for, we are proud to be part of our community and it is a privilege to support individuals and their families through many challenging and significant moments. We are always mindful of the trust and confidence invested in us by them.
- Pioneering – We aspire to be the best and to set new benchmarks for end of life care, inspired by the pioneering spirit of our founders. We are advocates for the terminally ill, we are their voice and their champions, and therefore we will never stop striving to improve what we do.

Our Strategy

During the pandemic St Luke's has focused on a clear strategy – to stay safe, maintain services, keep the money coming in, and care for our vulnerable volunteers and clients. This has helped us get through so far, with invaluable support from supporters, NHS Sheffield CCG, and the government through funding and support initiatives (assisted by Hospice UK). We thank everyone who has helped.

Our Care

We provide specialist palliative and end of life care to people aged 18 and over throughout Sheffield who have a terminal illness. St Luke's isn't only for cancer patients; we also care for people with other illnesses, including neurological conditions such as motor neurone disease, human immunodeficiency virus (HIV), and end-stage heart, kidney and lung conditions. Last year, 27% of the people we cared for had a non-cancer diagnosis.

Our purpose is to support, comfort and inspire people with these conditions and we do so by providing high quality care, compassion and respect in our specialist centre 24 hours a day, and across the city 7 days a week, 365 days a year. All our services are without charge to those we support.

Throughout the year we've seen an increase in activity across all our services, with patients accessing them at a more advanced age and much later stage of their illness when they require more complex intervention and specialised care.

In March 2020 we had to suspend some of our services in order to protect vulnerable clients and employees during the Covid-19 pandemic, but we have maintained the majority of our vital services throughout. We acted early to create a 'Covid-safe bubble' at our Little Common Lane site, ensuring that our In Patient Centre and Community teams could remain operational, and as a result we've continued to support patients across the city throughout the whole of the pandemic lockdown period and beyond. We've worked closely with regulators, national, regional and local bodies and the wider healthcare sector in maintaining our services and offering additional initiatives and expertise to help support the most vulnerable.

Integrated Community Team

Our integrated community team works across the whole of the city, taking specialist palliative care knowledge and expertise out into the community. Most of the people supported by this team live at home and many are cared for entirely at home throughout their illness, if that is where they would prefer to be. Across the year we supported 1,800 patients in their home setting.

Active Intervention Centre

Our Active Intervention Centre provides specialist palliative day care to help patients maintain function and independence, as well as supporting them with the physical, psychological, emotional and social issues associated with a terminal illness.

The centre also offers a safe and secure space for patients to discuss concerns and to meet other people living with a similar illness to themselves.

In Patient Centre

Our In Patient Centre provides expert care and support to people requiring intensive specialist palliative care and monitoring. During the year we cared for 345 patients at our In Patient Centre.

All the food served to patients and families staying at our In Patient Centre is freshly prepared by our chefs and tailor-made to suit the needs, condition and preferences of each individual.

Clifford House

To meet and support the needs of the wider community of people affected by illnesses with no cure, we've continued to further develop our services. In particular, the opening of Clifford House in 2017 enabled us to begin providing support to people at a much earlier stage of their illness.

Since opening Clifford House, we have been able to offer activities based around practical support and advice, as well as fun, relaxation and wellbeing. Clifford House provides a welcoming space for clients to be themselves and meet other people in similar situations. As a result of the Covid-19 pandemic we have had to move the support we provide online. We are exploring innovative ways that we can continue to use Clifford House to support our clients whilst keeping them and our staff and volunteers safe.

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Project ECHO

St Luke's was the first organisation in England to become a hub for Project ECHO, an innovative video-mentoring programme allowing communities of health practitioners to learn and develop skills and practices. St Luke's is now one of four UK superhubs, training and developing organisations across the UK – including healthcare partners, CCGs and other hospices. In Sheffield, ECHO technology allows St Luke's to support and develop palliative care in nursing and care homes, across GP practices, and with vulnerable and hard to reach groups such as the homeless community. With the potential to reach thousands of health and social care practitioners and positively impact upon the care of tens of thousands of people, ECHO is transforming the healthcare landscape in the city. During the pandemic, St Luke's has been at the forefront in using ECHO to enable improved care for patients in nursing and care homes, in their own homes, and those who are homeless – and to help those caring for those patients stay safe.

Bereavement services

St Luke's provides a dedicated bereavement support and counselling service, last year supporting around 600 people, many coping with a traumatic reaction to the death of a loved one. These services are vital to the recovery of families affected by death. Led by professional staff and supported by trained volunteers, St Luke's Bereavement Team is now providing support to other organisations (including a number of GP networks) which realise that effective bereavement counselling is an important part of healthcare services – especially following the incredibly difficult situations arising from the Covid-19 pandemic.

Our People

It's our people who make St Luke's an outstanding organisation. The quality of our care is only achieved with the support and dedication of our employees and volunteers who put our values into action and enable us to make the difference. We are incredibly proud of our team of volunteers who regularly give their time to support the work we do, and are delighted that in 2019 our St Luke's volunteers were awarded the prestigious Queen's Award for Voluntary Service – the highest recognition for volunteers in the UK.

Fundraising

Last year our passionate supporters worked tirelessly out in the community to raise over £4 million, helping us to continue caring for people affected by terminal illness in Sheffield. However they fundraise, many of our supporters do so in memory of a loved one.

Many supporters continue to leave St Luke's a gift in their will and play our weekly lottery. Other supporters choose to donate their spare change to one of our collection tins at St Luke's, Clifford House or in the community.

It's not just the people of Sheffield who support us; local businesses continue to help by fundraising for us, sponsoring our events, helping us spread the word of our care to their employees and customers, and even donating scarce PPE to allow our clinical staff to safely care for patients during the pandemic.

What community fundraising will look like in the future is uncertain, but our passionate team is working behind the scenes to plan events so that our supporters can continue to raise much-needed funds for St Luke's whilst also respecting the vital social distancing guidelines.

For every £1 we spent on fundraising, we received £3.80 in income which went straight to the people who need it most.

Ethical fundraising - Our policy and practice

- St Luke's is committed to ensuring that all of our fundraising practice is ethical, appropriate and donor-centred. This applies to everyone fundraising for us; staff, volunteers, commercial participants and professional fundraisers representing St Luke's.
- Our Fundraising Team organises fundraising events and activities, co-ordinates the activities of our supporters on our behalf, and in aid of our work. On occasion we may use external marketing companies to promote our Lottery around the city, and have some commercial participant agreements with corporate fundraisers who generate income for our work.
- We are voluntarily registered with the Fundraising Regulator, and ensure that our work is compliant with their Code of Fundraising Practice. We adhere to the relevant regulations from the Information Commissioner's Office, the Advertising Standards Authority, the Gambling Commission and would abide by any final decision of the Independent Betting Adjudication Service.
- We are organisational members of the Institute of Fundraising, Hospice Lotteries Association and The Lotteries Council. All Fundraising Team members attended a mandatory training session in 2019 which included our ethical fundraising policy (which incorporates protecting supporters from unreasonably intrusive, persistent or pressured fundraising), our complaints procedure, and changes to legal and voluntary regulation regarding fundraising. The team also reviewed the Fundraising Code in a training session in 2020.
- We have contracts in place with all external marketing companies and commercial participants that include stringent compliance and monitoring clauses and have ongoing internal procedures in order to monitor compliance with legal requirements and voluntary regulations.
- We have a departmental managing complaints procedure which is part of our induction for all Fundraising staff. All complaints are fully documented, investigated and shared with the Executive Team for their review and oversight. How to make a complaint is referenced in our fundraising information, our main website, Lottery website and Privacy Policy. There have been 9 complaints about fundraising activity this year, all of which were categorised as low risk and fully managed to a successful outcome and satisfaction of the complainant.
- All current direct marketing is led by the Fundraising and Marketing & Communications Teams, ensuring that it is not unreasonably intrusive or persistent. All marketing material is GDPR compliant and contains clear instructions on how a person can be removed from mailing lists.

Retail

Our award winning retail chain of 14 shops across Sheffield and our e-trading outlets raised £2.8 million towards our care last year. Without the generous donations of clothes, accessories, household goods, books, toys, CDs and DVDs, we wouldn't have been able to sell over 1 million items in our shops or through our e-trading channels eBay and Amazon. Each item sold helps us to make up the 74% of our running costs not covered by government funding.

The Donation Centre opened in 2019 to support our existing retail chain and prepare for future growth as a central point for sorting and storing donations. This has proved to be invaluable during the Covid-19 pandemic, when we were overwhelmed by public generosity at the end of lockdown. The Centre is the central point for our supporters to safely drop off bags and furniture, which we can quarantine, sort, store and distribute to our retail network.

Financial Overview

Total income for the year is £10.5m, with Retail gross income having grown by £147k and fundraising, excluding legacies, having increased by £112k with strong performance across a number of income streams. St Luke's has been fortunate to receive a number of legacies in the year, totalling £1.3m.

Expenditure has reduced by £72k to just below £10.0m, with the cost of fundraising and special events having reduced by £93k, due in part to 2019-20 not being a Winter Ball year. There has been a small increase in the cost of running the In Patient Centre due to the increasing complexity of need and the rising cost of complying with regulations.

63.5% (2019: 61.8%) of our costs were staff-related, with 36.5% (2019: 38.2%) non-staff costs. Direct costs account for 87.0% of our total costs with support costs accounting for 13.0%. This is within our 15% target, demonstrating that the vast majority of our income is spent on our vital front line services.

We're pleased to report a small retained surplus for the year of £210k which represents 2% of our income in the year.

Cash held at the bank and as fixed asset investments has increased by £0.3m to £0.9m due to the timing of the receipt of legacies accounted for in 2018-19. Further information on our cash balance and the going concern assumption in light of the Covid-19 pandemic is provided later in this report.

Investments

St Luke's delegates powers of investment to professional independent fund managers who manage the Charity's investment portfolio within pre-determined parameters of asset class and risk. The overall objectives are to create sufficient income and capital growth to support St Luke's in carrying out its purposes consistently year by year with due and proper consideration for future needs - and the maintenance of, and if possible, enhancement of the value of the invested funds while they are retained. The objectives are to be achieved by investing prudently in a broad range of fixed interest securities and equities which are quoted on a recognised investment exchange, and unit trusts and OEICs (open ended investment companies). St Luke's has a recently updated ethical investment policy which excludes the investment in companies that carry out activities contrary to the aims of the Charity or which could damage the Charity's reputation (see next section).

In the financial year under review Investec Wealth and Investment, who are authorised persons within the meaning of the Financial Services and Markets Act 2000, managed the portfolio on a discretionary basis with an objective of a balanced return between income and growth within a medium risk profile. The Covid-19 pandemic and the associated late-March stock market crash had a significant impact on the value of St Luke's portfolio, however it is pleasing to note that there has been some recovery in the first quarter of 2020-21.

The portfolio is targeted to give an average total net return of 8% per annum over the medium term. The total return in the year was -7.82%, significantly behind target due to the financial crash at the beginning of the Covid-19 pandemic. For budgetary purposes St Luke's assumes a 3% annual yield, however the portfolio is managed on the basis of total investment return. In the financial year to 31 March 2020 the portfolio achieved a yield of 4.49%. The Trustees are satisfied with the performance of this portfolio in light of the prevailing financial and economic conditions.

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Given the financial impact of the Covid-19 pandemic St Luke's trustees will assess the merit in continuing to hold investments which have inherent volatility at a time when St Luke's is likely to draw down on these investments across a medium-term to maintain its liquidity. Following market recovery in the quarter to 30 June 2020, where the portfolio achieved an 11.2% return, trustees authorised the withdrawal of part of the fund in order to mitigate this risk.

Ethical Investment Policy

St Luke's trustees have determined that within a balanced and managed investment portfolio there should be the following restrictions:

- Exclude companies that carry out activities contrary to the aims of the Charity, and therefore direct investment in the tobacco industry is excluded;
- Refrain from holding particular investments which could damage the Charity's reputation, and therefore direct investment in the armaments industry and the gambling industry is excluded as it is felt that holding these investments may be contrary to the wishes of the Charity's supporters and / or beneficiaries.

The Trustees are mindful regarding environmental issues and have an ambition to invest an increasing proportion of the portfolio in sustainable and socially responsible stocks over the coming five years.

The Trustees have considered and discussed other potentially contentious investment areas but in having regard to Charity Law and the prescribed best practice outlined by the Charity Commission, do not feel that other stocks would meet the criteria for exclusion at the current time.

Reserves

St Luke's adopts a risk based approach to the management of its reserves that seeks to strike an appropriate balance between financial prudence and investment in front line services. In assessing the level of free reserves required the Trustees have taken due note of the major risks facing the Charity, considered the likelihood of the risks, and likely worst case financial impacts. The risks fall broadly into the categories of income generation, regulatory fine or license revocation, statutory funding cuts, major incident, reputation and macro-economic factors. The reserves policy is reviewed formally on an annual basis and can be summarised as follows:

- St Luke's free reserves policy is to hold sufficient free reserves to cover the worst financial impact of a negative event. This is currently calculated at £1.5m.
- St Luke's dedicated reserves policy is to hold appropriate designated reserves for strategic and capital projects as determined on an annual basis.
- When necessary and legally required, we will hold restricted funds.
- We will hold sufficient liquid assets at all times to provide both operational working capital and to cover the cost of a major significant event and will ensure that cash balances never fall below £300k.

At 31 March 2020 St Luke's held £9.0m in total reserves (2019: £8.7m). Of this we identified a total of £1.4m (2019: £1.3m) as designated funds to be set aside for specific future activities. Spend against these activities is anticipated to occur over the next five years and there is no obligation to spend these amounts as designated. The Board has therefore determined that the proportion of designated funds expected to be spent after 31 March 2021 should remain in free reserves.

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Of the total reserves held, £1.2m were held as free reserves (2019: £2.0m) being the total of general funds (£7.6m), less total tangible fixed assets (£7.5m), plus the outstanding amount in regards to Clifford House (£0.5m), plus the longer-term portion of designated funds (£0.6m).

The level of free reserves at 31 March 2020, £1.2m, is below the level we set in our reserves policy. However, this is mitigated by the fact that we are specifically holding a significant portion of designated funds to help offset some of the expected financial impact from the Covid-19 pandemic. The trustees are therefore satisfied with the reported level of free reserves at 31 March. The post-Covid world will require a different approach to reserve maintenance, one based on a closer analysis of risk and which also allows for the capability of the organisation to manage its way through critical moments and financial problems.

Cash at bank and in hand at 31 March 2020 was £928k which is in excess of the £300k required by the policy due to the unpredictability of the timing of legacy cash receipts.

The general unrestricted reserves held at 31 March 2020 totalled £7.6m (2019: £7.4m).

Designated Funds

Each year, St Luke's reviews the need to keep some of its reserves set aside for specific future activities. We call these our designated funds. The need for such funds varies from time to time depending on many factors, including our future plans. The named designated funds are estimated amounts set aside for specific strategic activities and programmes, and are considered by the directors each year to determine their continued adequacy and necessity based on circumstances and current understanding. They are set, amended and released based upon the discretion of the Trustees. At 31 March 2020, St Luke's identified a total of £1.4m of its reserves as designated funds, summarised as follows:

- At 31 March 2020 the Commercial, Clifford House, Digital Transformation, Community Engagement and 50th Initiative funds have been closed, creating a larger **Strategic Initiative Fund** (£400k) which covers these and other service transformation objectives, and to allow the creation of a **Covid-19 Recovery Fund** (£625k) which is seen as necessary to allow St Luke's to deal with immediate pressures arising from the pandemic. We anticipate 50% of the Strategic Fund and 70% of the Covid-related fund will be spent in 2020-21.
- The **Research and Education Fund** (£125k) is held to support future development of research and education programmes, for the benefit of St Luke's patients and clients, as well as in support of the wider community, and to assist in the creation of necessary infrastructure over the next three to five years. We anticipate that 25% of this fund will be spent in 2020-21.
- The **IT Infrastructure Fund** (£200k) is held to support ongoing update of IT security and infrastructure to ensure that St Luke's is operating at optimum levels for staff to perform their jobs efficiently and to protect from cyber-attacks while ensuring appropriate disaster recovery arrangements are in place – and to support the future digital and cloud-based upgrades to systems and applications. We anticipate that 50% of this fund will be spent in 2020-21.

Taking account of the expected usage of each fund in 2020-21 as noted above, a total of £0.6m of designated funds are expected to be spent in the period after 31 March 2021, and these are therefore treated as part of free reserves.

St Luke's plan for the use of these designated funds may change at any time at the discretion of the Board based on the needs of the Charity.

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Going Concern

As has been mentioned throughout this report, the Covid-19 pandemic has had a significant effect on St Luke's, not only in terms of people, services and operations, but also in our ability to raise funds through corporate partnerships, community events and our chain of retail shops. Since lockdown and on a continuing basis, detailed forecast exercises have been undertaken to monitor the financial impact on the Charity, both in the current financial year and in years to come.

Whilst we anticipate the financial effect of the pandemic to be significant, we are confident that we have sufficient liquid reserves to maintain solvency and a strong plan for recovery across the next 3 years, at which point our ability to generate income should have returned to 'normal' levels.

This is underpinned by a strong net asset base, built on property assets which were 'marked to market' in 2018 and therefore St Luke's balance sheet represents a realistic measure of the Charity's net worth.

The 2019-20 financial statements have been prepared on a going concern basis.

Structure, governance and management

Governance at St Luke's is the responsibility of its Trustees who serve in an unpaid capacity. New members are appointed with a view to ensuring that the Board of Trustees contains an appropriate balance of experience relevant to the requirements of St Luke's.

Trustees meet frequently as a collective Board and through sub-committees tasked with particular areas of governance and oversight. These meetings are attended by relevant members of the Executive and Management Group and, when appropriate, external members who are selected for their particular expertise and appointed through approval by the Board.

First line leadership of St Luke's is provided by the Chief Executive, whose role is charged to ensure that St Luke's is run as a cost-effective charity while providing the best possible care for patients and relatives.

The Chief Executive is supported by the Executive Team. Following the end of the 2019-20 financial year, Lisa Nos who has been with St Luke's for 10 years, most recently in the role of Director of People, Culture and Performance, will be leaving St Luke's to pursue other opportunities. We thank Lisa for her dedication and hard work in serving the people of Sheffield and wish her well in her future endeavours. We welcome Helen Day who joins as Executive Lead for HR, Volunteering, Learning and Development. Helen has worked at St Luke's for a number of years, most recently as Head of HR, and we are delighted that she will be supporting the Executive team.

From 1 September 2020 the Executive Team will comprise the following roles: Chief Executive; Director of Care and Lead for Healthcare Partnerships; Director of Income, Media and Marketing; Medical Director and Clinical Lead for Programme Development; Director of Finance and Chief Operating Officer; and the Executive Lead for HR, Volunteering and Learning & Development.

The Executive Team is supported by a clear and accountable organisation structure including Heads of Department team. The emphasis is on leadership, accountability and empowerment.

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YEAR ENDED 31 MARCH 2020

St Luke's Executive Team

St Luke's Board of Trustees (all volunteers) delegates the safe and effective running of the Charity to the Chief Executive and the Executive Team. St Luke's is not only a large charity and significant employer, but also a provider of regulated healthcare services. Its services are regulated by the CQC and the Charity Commission, as well as a number of other bodies such as the Gambling Commission, NHS Sheffield CCG, and many others. This brings particular requirements for its senior staff, including the need to meet particular 'Fit and Proper Persons' criteria as specified in healthcare regulations.

As well as taking lead responsibility for running and managing St Luke's and being accountable to our governing bodies, St Luke's Executive Team members undertake a number of formal roles required by regulators, by company law and by other bodies such as the General Medical Council. These obligations include, amongst others, the key positions of Accountable Officer, Responsible Officer, Senior Information Risk Owner and Company Secretary.

The Executive Team members are required to hold relevant professional qualifications to ensure that they are competent to undertake these formal offices, as well as to manage and operate St Luke's safely and effectively. The professional bodies of which the Executive Team are members all require their membership to work ethically and for the public benefit – a key part of managing a charity like St Luke's.

At 31 March 2020 the following employees served in St Luke's Executive Team:

Name	Role	Length of Service	Qualifications	Governance Support Lead
Peter Hartland	Chief Executive Officer	13 years	BSc (Hons), ACA – Associate of The Institute of Chartered Accountants in England & Wales	St Luke's Board of Trustees; Nominations & Remuneration, Audit & Risk Committees
Kathryn Burkitt	Director of Income, Media and Marketing	11 years	BA (Hons), MInstF	
Sam Kyeremateng ⁽¹⁾	Medical Director and Clinical Lead for Programme Development	7 years	MBChB, MRCP, Dip, PallMed	St Luke's Research Committee
Jo Lenton	Director of Care and Lead for Healthcare Partnerships	11 years	Registered Nurse BA (Hons) Supportive & Palliative Care	St Luke's Healthcare Governance Committee
Lisa Nos	Director of People Culture and Performance (until 31 August 2020)	10 years	MSc, HR Management Chartered CIPD	
Tony Saunders	Director of Finance and Chief Operating Officer	10 years	BA (Hons) FCA – Fellow of The Institute of Chartered Accountants in England & Wales	St Luke's Resource and Finance Committee
Helen Day	Executive Lead –HR, Volunteering & L&D (from 1 July 2020)	4 years	Chartered CIPD	

(1)

Dr Kyeremateng's role as Medical Director of St Luke's is shared with his ongoing commitments as a Palliative Care Consultant at Sheffield Teaching Hospitals NHS Foundation Trust, his employer.

Remuneration for the Executive Team is determined by the Board of Trustees (and through its Nominations and Remuneration Committee). Levels of remuneration are set to ensure St Luke's attracts excellent people into these critical roles, with reference to market conditions and the specific skills required, and retains their skills and experience. The Executive Team's performance is monitored by the Board, and their commitment to our cause is expected to be demonstrated not only through this performance but also by their support of activities (such as events and functions) outside of working hours on a voluntary basis. The Executive Team is also expected to represent St Luke's on regional and national bodies in furtherance of St Luke's objectives.

Governance and risk management arrangements

St Luke's has developed an approach to good governance which embraces both clinical and non-clinical risks. St Luke's Risk Management Strategy embraces a number of elements.

The Board of Trustees oversees St Luke's Risk Management Strategy and is involved in the evaluation of its risk environment via the corporate risk register, the assessment of risk appetite, and the approval of the annual risk action plan, working through the Audit and Risk Committee. The Board works in conjunction with the Healthcare Governance Committee, the Resource and Finance Committee and the Executive Team in the delivery of the Risk Management Strategy. During the year there has been continued development of the strategy and the formulation of processes and monitoring systems. The Chief Executive has lead responsibility for the development of this approach, and has facilitated ongoing meetings of the Board and Committees via video-link throughout the Covid-19 pandemic.

Healthcare Governance Committee

St Luke's clinical governance arrangements are modelled on guidance and good practice within the NHS. Clinical governance is defined as the framework through which St Luke's will ensure continuous improvement in the quality of services to patients. This process is overseen by the Healthcare Governance Committee.

Audit and Risk Committee

The Audit and Risk Committee oversees and scrutinises St Luke's response to the risk environment in which it operates, and monitors the status of financial controls placing reliance on the work of its external auditors.

Resource and Finance Committee

The Resource and Finance Committee is responsible for reviewing and overseeing the financial and resource management of St Luke's in the widest sense. The Committee is responsible for overseeing the investment strategy, financial reporting, budgeting and planning, employee and volunteering matters and policies, marketing and public relation matters and oversight of St Luke's estate and facilities.

Nominations and Remuneration Committee

The Nominations and Remuneration Committee is a sub-committee of the Board of Trustees. The committee undertakes tasks on behalf of the Board, particularly with respect to:

- The recommendation of individuals to be considered for appointment as Trustees of the Charity or as lay-members of any sub-committee of the Board, and the numbers of such Trustees or lay-members.
- The recommendation of individuals to be considered as Chairs or Deputy Chairs of either the Board or any sub-committees of the Board.
- The recommendation of individuals to be considered for honorary roles.

The Nominations and Remuneration Committee is also delegated wider duties by the Board, including oversight of remuneration of the Executive team and the appraisal of the trustees and the Chief Executive.

Research Committee

The Research Committee sits to oversee, monitor and develop St Luke's growing Research portfolio – helping to develop the organisation's strategy towards research with the ambition of St Luke's becoming a research-leading organisation.

Trustee method of appointment

A skills based matrix system is used by the Board in which the organisation's need for a balanced mix of skills, both clinical and non-clinical, is regularly reviewed. The Board uses an open process to search for, identify, access and appoint new Trustees, using selection agencies when this is seen to be beneficial and appropriate. All prospective Trustees are invited to undertake a rigorous process of discussion and observation before undertaking a 'fit and proper person' check, and ultimately new Trustees are appointed at a meeting of the full Board of Trustees. A new Trustee undergoes a full programme of induction into all aspects of the organisation and their duties and obligations as a Trustee, in line with Charity Commission guidance and best practice.

Trustee terms of office

Trustees serve in terms of four years but ultimately no Trustee may serve for more than ten consecutive years, plus a short run-on allowance in particular circumstances to allow for proper handover of responsibilities.

Public benefit

In planning and delivering its services and activities, the Trustees and Executive of St Luke's have given due regard to the need to ensure that the organisation provides public benefit, following the Charity Commission's guidance on these matters. St Luke's charitable objectives and our annual declaration of activities and achievements (publicly available from the Charities Commission and Companies House, and through the Impact Report and Quality Account) demonstrate that St Luke's provides vital free-to-access services available to all people in the city of Sheffield. St Luke's is clearly meeting the requirements of the public benefit test – a charity providing benefits for the public and supported by the public.

ST LUKE'S HOSPICE

TRUSTEES' ANNUAL REPORT (Including Directors' Report and Strategic Report)

YEAR ENDED 31 MARCH 2020

Equal opportunities

St Luke's policy is to ensure no job applicant, employee, worker or service user is discriminated against either directly or indirectly on the grounds of age, disability, gender assignment, marriage and civil partnership, pregnancy, maternity or paternity, race, religion or belief, sex or sexual orientation. St Luke's gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is St Luke's policy to make appropriate adjustments and arrangements to accommodate these changes as far as is practical, and subject to risk assessment.

Environment

St Luke's is committed to providing care and support to the people of Sheffield for future generations, and is therefore very aware of the need for sustainability – both as an organisation, and as a good corporate citizen in our community. In striving to use our funds responsibly and seek sustainable methods in everything that we do, we recognise how important it is to consider our impact on the environment and are committed to using our resources responsibly.

Legal and administration

Status

St Luke's Hospice is a charitable company limited by guarantee, incorporated on 15 November 1967 as St Luke's Nursing Home Limited and registered as a Charity in England and Wales on 24 November 1967. It is independent and has no legal connection with other hospices in the UK.

Governing document

St Luke's was established under a memorandum of association and is governed under its articles of association which establish the objects and powers of the organisation.

The company is established for charitable purposes only, having the following objectives:

To relieve sickness and assist in the treatment and care of persons suffering from mental and physical illness of any description and in particular:

- By providing an establishment or establishments for sick persons where they can be given the accommodation, attendance, medical care and treatment and nursing which by reason of their sickness they require.
- By conducting, exploring or encouraging research and the evaluation of improvements in the care of the terminally ill person, that person's carers and relatives and to disseminate the useful results of such research.
- By providing palliative care in the community and by providing support for the carers and relatives of terminally ill people.

ST LUKE'S HOSPICE

TRUSTEES' ANNUAL REPORT (Including Directors' Report and Strategic Report)

YEAR ENDED 31 MARCH 2020

Executive Team at 31 March 2020

Peter Hartland
Chief Executive & Company Secretary

Kathryn Burkitt
Director of Income, Media and Marketing

Jo Lenton (appointed 1 April 2019)
Director of Care and Lead for Healthcare Partnerships

Dr Sam Kyeremateng
Medical Director and Clinical Lead for Programme Development

Lisa Nos (resigning 31 August 2020)
Director of People, Culture and Performance

Tony Saunders
Director of Finance and Chief Operating Officer

Helen Day (appointed 1 July 2020)
Executive Lead for HR, Volunteering and Learning & Development

Company number 00922448

Charity number 254402

Registered office St Luke's Hospice
Little Common Lane
Off Abbey Lane
Sheffield S11 9NE

Founder Professor Eric Wilkes OBE
(1920 – 2009)

President Lady Neill DL

Vice Presidents Andrew Coombe, HM Lord-Lieutenant of South Yorkshire

Alex Pettifer MBE

Board of Trustees Neil MacDonald
Chair of the Board of Trustees. Ex-officio member of: the Resource and Finance Committee, the Nominations and Remuneration Committee, the Healthcare Governance Committee, and the Research Committee

ST LUKE'S HOSPICE

TRUSTEES' ANNUAL REPORT (Including Directors' Report and Strategic Report)

YEAR ENDED 31 MARCH 2020

Petra Billing (resigned 16 March 2020)

Member of the Resource and Finance Committee

Professor Robert Coleman

Deputy Chair of the Board, Chair of the Research Committee, Deputy Chair of the Healthcare Governance Committee and member of the Nominations and Remuneration Committee

Dr Lucy Cormack (appointed 22 May 2019)

Member of the Healthcare Governance Committee and the Audit and Risk Committee

Louise Edwards-Holland (appointed 22 May 2019)

Member of the Resource and Finance Committee and the Nominations and Remuneration Committee

Laurence Gavin

Member of the Resource and Finance Committee

Professor Diana Greenfield

Member of the Healthcare Governance Committee and the Research Committee

Louisa Harrison-Walker (appointed 22 May 2019)

Member of the Resource and Finance Committee

Susan Inglis

Chair of the Healthcare Governance Committee and member of the Nominations and Remuneration Committee and the Audit and Risk Committee

Martin McKervey (appointed 22 May 2019)

Member of the Resource and Finance Committee

Amy Stanbridge (appointed 22 May 2019)

Chair of the Audit and Risk Committee

Dr Toni Schwarz

Member of the Healthcare Governance Committee and the Research Committee

Andrew Snelling

Chair of the Resource and Finance Committee and Honorary Treasurer

Professor Sarah Thomas

Chair of the Nominations and Remuneration Committee and member of the Healthcare Governance Committee

The Trustees have given due regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.

ST LUKE'S HOSPICE

TRUSTEES' ANNUAL REPORT (Including Directors' Report and Strategic Report)

YEAR ENDED 31 MARCH 2020

St Luke's patrons and ambassadors

St Luke's is proud to be supported by patrons and ambassadors who champion our Charity both locally and nationally. Our patrons and ambassadors give their support voluntarily, and serve for mutually agreed periods of time. We are grateful to them for their time and commitment.

Our senior patrons are:

Hugh Facey OBE & Mrs Frances Facey
Harry Gration MBE
Lord Robert and Lady Kerslake
Sir Martyn Lewis CBE
Sir Hugh Sykes DL and Lady Sykes

The full list of patrons and ambassadors changes regularly and can be found on our website at stlukeshospice.org.uk.

The President's Award

President's award recipients: Professor Barry Hancock OBE, 2018
Michael Pestereff, 2017

Bankers Svenska Handelsbanken AB (publ)
Seventh Floor
3 St Paul's Place
129 Norfolk Street
Sheffield S1 2JE

National Westminster Bank Plc
997 Abbeydale Road
Sheffield
S7 2QE

Solicitors Keebles LLP
Commercial House
14 Commercial Street
Sheffield S1 2AT

Freeths
Fifth Floor
3 St Paul's Place
129 Norfolk Street
Sheffield S1 2JE

DLA Piper UK LLP
1 St Paul's Parade
Sheffield S1 2JX

Irwin Mitchell
Riverside East House
2 Millsands
Sheffield S3 8DT

Trustees' Responsibilities statement

The Trustees (who are also directors of St Luke's 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 the 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 of the incoming resources and application of resources, including 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 of principles in the Charities SORP 2015 (FRS102).
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare 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 of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware, and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Insurance for Trustees and Officers

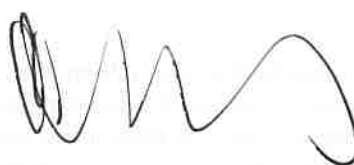
Insurance for Trustees and Officers against liabilities in relation to the company, as permitted by the Companies Act 2006, is maintained under a policy held by St Luke's.

This report is presented on behalf of the St Luke's Board of Trustees.

On behalf of the Board on 28 September 2020



Neil MacDonald
Chair of the Board of Trustees



Andrew Snelling
Honorary Treasurer

ST LUKE'S HOSPICE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ST LUKE'S HOSPICE

YEAR ENDED 31 MARCH 2020

Opinion

We have audited the financial statements of St Luke's Hospice (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the group statement of financial activities, the group and the parent charitable company balance sheet, the group cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' annual report, other than the financial statements and our auditor's report thereon. 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ST LUKE'S HOSPICE

YEAR ENDED 31 MARCH 2020

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report (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.

Matters on which we are required to report by exception

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.

Responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using

ST LUKE'S HOSPICE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ST LUKE'S HOSPICE

YEAR ENDED 31 MARCH 2020

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 with 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.

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

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.



Jane Marshall (Senior Statutory Auditor)
For and on behalf of BHP LLP, Statutory Auditor

2 Rutland Park
Sheffield
S10 2PD
Date: 30 September 2020

ST LUKE'S HOSPICE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account) YEAR ENDED 31 MARCH 2020

	Note	Unrestricted funds 2020 £	Designated funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Unrestricted funds 2019 £	Designated funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Income from:									
Donations and legacies									
Voluntary income (capital appeal)									
Other trading activities:		2,540,489		101,275	2,641,764	3,342,734		176,035	3,518,769
Special events and sundry sales								16,954	16,954
Charity shops		606,738			606,738	584,327			584,327
Lottery income		2,793,228			2,793,228	2,645,997			2,645,997
Education and research		860,295			860,295	881,701			881,701
Other income		195,581			195,581	137,092			137,092
Investment income	2	511,140			511,140	204,807			204,807
		95,804			95,804	111,036			111,036
Charitable activities									
CCG Contract		2,555,838			2,555,838	2,353,500			2,353,500
Subsidy of medicine & drugs costs		101,372			101,372	138,035			138,035
Other grant				173,198	173,198			173,198	173,198
		10,260,485		274,473	10,534,958	10,399,229		366,187	10,765,416
Expenditure on:									
Raising funds									
Legacies and donations	3	368,635	1,376		370,011	415,722			415,722
Special events and sundry sales	3	284,184	20,500		304,684	352,376			352,376
Charity shops	3	1,737,057	60,738		1,797,795	1,614,409	60,909		1,675,318
Lottery prizes & expenses	3	405,789	1,032		406,821	382,999			382,999
Investment management fees	3	11,737			11,737	15,974			15,974
Charitable activities									
Inpatient care	3	4,003,538	20,687	140,563	4,164,788	3,998,479	8,841	141,734	4,149,054
Medicine & drugs costs	3	101,372			101,372	138,035			138,035
Early support for terminal illness	3	315,288	7,293		322,581	321,955		2,500	324,455
Integrated community care services	3	2,084,840	11,501	110,400	2,206,741	2,155,677	4,830	94,600	2,255,107
Education and research	3	278,732	1,413		280,145	329,932			329,932
Total expenditure		9,551,172	124,540	250,963	9,966,675	9,725,558	74,580	238,834	10,038,972
Net income / (expenditure)	6	669,313	(124,540)	23,510	568,283	673,671	(74,580)	127,353	726,444
(Losses)/gains on investments									
Realised		(38,275)			(38,275)	33,415			33,415
Unrealised	8	(192,633)			(192,633)	11,744			11,744
Net income/(expenditure)		(230,908)			(230,908)	45,159			45,159
Transfer between funds	16/17	438,405	(124,540)	23,510	337,375	718,830	(74,580)	127,353	771,603
		(126,030)	149,540	(23,510)		(72,227)	199,580	(127,353)	
Other recognised losses									
Losses on revaluation of fixed assets	7	(127,831)			(127,831)	(258,807)			(258,807)
Net movement in funds		25,000			209,544	387,796			512,796
Funds balance at 1 April 2019		7,420,821	1,325,000		8,745,821	7,033,025	1,200,000		8,233,025
Funds balance at 31 March 2020	16/17	7,605,365	1,350,000		8,955,365	7,420,821	1,325,000		8,745,821

ST LUKE'S HOSPICE


BALANCE SHEETS

AS AT 31 MARCH 2020

	Note	GROUP		CHARITY	
		2020 £	2019 £	2020 £	2019 £
Fixed assets					
Tangible assets	7	7,461,557	7,477,040	7,461,557	7,477,040
Investments	8	523,146	587,841	523,220	587,915
		7,984,703	8,064,881	7,984,777	8,064,955
Current assets					
Stock – goods for resale		73,384	77,602	73,384	77,602
Debtors	9	1,821,262	1,889,278	1,851,640	1,887,126
Investments	10	500,000	1,000,000	500,000	1,000,000
Cash at bank and in hand	11	928,058	606,185	895,032	599,308
		3,322,704	3,573,065	3,320,056	3,564,036
Creditors: amounts falling due within one year	12	(2,007,941)	(2,205,037)	(2,007,945)	(2,205,241)
Net current assets		1,314,763	1,368,028	1,312,111	1,358,795
Total assets less current liabilities		9,299,466	9,432,909	9,296,888	9,423,750
Creditors: amounts falling due after more than one year	13	(344,101)	(687,088)	(344,101)	(687,088)
Net assets	20	8,955,365	8,745,821	8,952,787	8,736,662
Charity Funds					
General funds		7,605,365	7,420,821	7,602,787	7,411,662
Designated funds		1,350,000	1,325,000	1,350,000	1,325,000
Total unrestricted funds - Including investments revaluation reserve (£nil (2019: £175,953))	16	8,955,365	8,745,821	8,952,787	8,736,662
Restricted	17	-	-	-	-
Total Charity funds		8,955,365	8,745,821	8,952,787	8,736,662

The financial statements were approved and authorised for issue by the Board on 28 September 2020.

Signed on behalf of the board of Trustees


N MacDonald
Chair of the Board of Trustees


A E Snelling
Honorary Treasurer

The notes on pages 26 to 46 form part of these financial statements.
Company registration number: 00922448

ST LUKE'S HOSPICE

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2020

		2020		2019	
	Note	£	£	£	£
Cash flows from operating activities:					
Net cash flow provided/(used) by operating activities	18		147,562		(988,438)
Cash flows from Investing activities					
Interest received	2	2,541		2,250	
Dividends received	2	93,263		108,786	
Purchase of tangible fixed assets	7	(255,480)		(448,883)	
Proceeds from sale of fixed assets		209		-	
Purchase of investments	8	(1,611,991)		(544,465)	
Proceeds from sale of investments		1,966,039		2,044,093	
Net cash flow from investing activities			194,581		1,161,781
Increase in cash and cash equivalents in the year			342,143		173,343
Cash and cash equivalents as at 1 April 2019			608,081		434,738
Cash and cash equivalents as at 31 March 2020	19		950,224		608,081

1 Summary of significant accounting policies

(a) General information and basis of preparation

St Luke's Hospice is a registered Charity in England. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £2 per member of the Charity. The address of the registered office is given in the Charity information of these financial statements. The nature of the Charity's operations and principal activities are detailed in the Trustees' Annual 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 UK 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 Accounting 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 which is the functional currency of the Charity and rounded to the nearest £1.

(b) Going concern

As has been mentioned throughout this report, the Covid-19 pandemic has had a significant effect on St Luke's, not only in terms of people, services and operations, but also in our ability to raise funds through corporate partnerships, community events and our chain of retail shops. Since lockdown and on a continuing basis, detailed forecast exercises have been undertaken to monitor the financial impact on the Charity, both in the current financial year and in years to come.

Whilst we anticipate the financial effect of the pandemic to be significant, we are confident that we have sufficient liquid reserves to maintain solvency and a strong plan for recovery across the next 3 years, at which point our ability to generate income should have returned to 'normal' levels.

This is underpinned by a strong net asset base, built on property assets which were 'marked to market' in 2018 and therefore St Luke's balance sheet represents a realistic measure of the Charity's net worth.

The 2019-20 financial statements have been prepared on a going concern basis.

(c) Basis of consolidation

The consolidated accounts include the accounts of St Luke's and its subsidiary undertakings on a line by line basis.

Under section 399 of the Companies Act 2006 and paragraph 15.12 of the SORP (FRS 102) the company is not required to present its own income and expenditure account.

Under paragraph 24.14 of the SORP (FRS 102) the company is not required to consolidate The Broomgrove Trust, an independent registered Charity and company limited by guarantee of which it was the sole member until 31 October 2019, as it fails to both direct and derive benefit from the relationship.

(d) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of St Luke's and which have not been designated for other purposes.

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by St Luke's for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income and gains are allocated to the appropriate fund.

(e) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when St Luke's 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.

(i) Clinical Commissioning Group

Income represents grants receivable from NHS Sheffield Clinical Commissioning Group (CCG) covering the Sheffield region in respect of either contractual service level agreements or non-contractual recurrent grant funding.

(ii) Lottery income

Lottery income is accounted for when receivable and represents income generated by the weekly St Luke's Hospice Society Lottery and periodic raffles. Lottery income received in advance is carried forward as deferred income.

(iii) Donations

Donations are treated as income when received.

(iv) Gifts in kind

Gifts in kind donated for resale are 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 Charity shops'. Upon sale, the value of the stock is charged against 'Income from Charity shops' and the proceeds are recognised as 'Income from Charity shops'.

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

(v) Legacies

For legacies, entitlement is the earlier of St Luke's being notified of an impending distribution or the legacy being received. Legacies are treated as income when they are received, or on a receivable basis for all individual legacies which have been notified prior to the accounting reference date and become capable of financial measurement prior to the sign off of the accounts.

(vi) Quoted investment income

Quoted investment income is accounted for on a receivable basis.

(vii) Special events and sundry sales income

Special events and sundry sales income is credited when the event takes place.

(f) Deferred income

Funds received in one accounting period that are specifically restricted to work to be carried out in subsequent accounting periods are not accounted for as income but are carried forward as deferred income.

(g) Expenditure and basis of allocation of costs

Expenditure is included in the SoFA on an accruals basis, inclusive of any irrecoverable VAT.

Charitable expenditure directly related to the objects of St Luke's and the provision of hospice services is recognised on an accruals basis.

Direct costs are attributed directly to the Charity's activities.

Support costs which relate to more than one charitable activity are allocated to those activities based on an assessment criteria of time spent on each activity. Included in support costs are governance costs which represent expenditure incurred in the management of the Charity's assets, strategic and organisational administration and compliance with constitutional and statutory requirements.

(h) Operating leases

Rentals payable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

(i) Fixed assets and depreciation

Freehold land and buildings and long leasehold land and buildings are included at fair value, impairment reviews are considered annually. As a consequence depreciation is not charged on such assets. All other fixed assets categories are included at the historical cost. Significant donated fixed assets are capitalised at their estimated cost.

Expenditure of less than £1,000 is normally not capitalised unless it forms part of a larger project which has either a) an aggregate value in excess of £1,000 or b) has been specifically designated as a capital project by management. In all cases the decision to capitalise expenditure or otherwise will be made on an item by item basis with regard to the nature of the item and the economic benefits derived.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

No depreciation is applied to assets in the year of purchase. A full year's charge is applied in the year of disposal. Depreciation is provided by St Luke's on a reducing balance basis (unless otherwise determined) to write off the cost less the estimated residual value of tangible fixed assets over their estimated useful economic lives as follows:

Short leasehold improvements	- Straight line over the life of the lease
Motor vehicles	- 20% per annum
Equipment and furniture	- 25% per annum
Computer equipment	- 3 years straight line

The general rates detailed above are subject to override on an item by item basis should - in the opinion of management - the circumstances of the condition or estimated life of the asset change. Material departure from the general rates above will be disclosed in the notes to the accounts.

(j) Stocks

Stocks are stated at the lower of cost and net realisable value. Donated stocks are fair valued as described in (e) (iv) above.

(k) 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.

(l) Financial instruments

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

(m) 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.

Except for those employees for whom St Luke's makes contributions to the NHS superannuation scheme, all other St Luke's employees may, at their discretion, join the St Luke's Group Personal Pension Plan arranged by Scottish Widows to which St Luke's makes an employer contribution which matches the employee's contribution. Employees who are not already part of a pension scheme are enrolled in the Auto-Enrolment Pension Scheme which they may opt out of at their request. These pension funds are assets of the individual and St Luke's has no liability nor interest in the value of each fund. St Luke's contributions are released to the SoFA as they are incurred.

(n) Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand. Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market. Liquid resources comprise term deposits of less than three months (other than cash).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

(o) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'gains / (losses) on investments' in the SoFA.

Investments in subsidiary undertakings are valued at cost less impairment.

(p) Concessionary loans

Concessionary loans include those receivable from a third party which are interest free and are made to advance charitable purposes. Where the loan is repayable in more than one year, the loan is initially measured at the amount received with the carrying amount adjusted in subsequent years to reflect repayment and adjusted if necessary for any impairment.

(q) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

(r) Critical accounting estimates and areas of judgement

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

2 Income from investments

	2020	2019
	£	£
Dividends and interest	93,263	108,786
Bank interest	2,541	2,250
	<u>95,804</u>	<u>111,036</u>

Income from investments in both years is unrestricted.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

3 Analysis of expenditure

	Direct costs	Support costs	Total 2020	Total 2019
	£	£	£	£
Raising funds				
Legacies and donations	286,896	83,115	370,011	415,722
Special events and sundry sales	247,997	56,687	304,684	352,376
Charity shops	1,724,063	73,732	1,797,795	1,675,318
Lottery prizes and expenses	364,351	42,470	406,821	382,999
Investment management costs	10,201	1,536	11,737	15,974
	<u>2,633,508</u>	<u>257,540</u>	<u>2,891,048</u>	<u>2,842,389</u>
Charitable activities				
Inpatient care	3,558,938	605,850	4,164,788	4,149,054
Medicine and drugs	101,372	-	101,372	138,035
Early support for terminal illness	311,389	11,192	322,581	324,455
Integrated community care services	1,845,993	360,748	2,206,741	2,255,107
Education and training	218,465	61,680	280,145	329,932
	<u>6,036,157</u>	<u>1,039,470</u>	<u>7,075,627</u>	<u>7,196,583</u>
Total	<u>8,669,665</u>	<u>1,297,010</u>	<u>9,966,675</u>	<u>10,038,972</u>
2019 Total	<u>8,751,172</u>	<u>1,287,800</u>	<u>10,038,972</u>	

Included within support costs are governance costs of £101,782 (2019: £118,369) which are detailed note 4.

Support costs totalling £1,297,010 (2019: £1,287,800) have been allocated across activities, these costs include the support service of Finance, HR, Administration and other facility and central services. Costs have been allocated either on the basis of time spent by the department in supporting the activities, or other usage of the service.

Investment management costs include fees payable to the investment managers, Investec Wealth & Investment Ltd.

4 Governance costs

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	£	£	£	£
Strategic management	88,016	-	88,016	101,587
Legal, professional and support costs	13,766	-	13,766	16,782
	<u>101,782</u>	<u>-</u>	<u>101,782</u>	<u>118,369</u>
2019 Total	<u>118,369</u>	<u>-</u>	<u>118,369</u>	

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

5 Employment costs

	2020 £	2019 £
Staff costs		
Wages and salaries	5,548,301	5,446,049
Social security costs	469,044	467,836
Pension costs	313,832	293,413
	<u>6,331,177</u>	<u>6,207,298</u>

The emoluments of employees who earned over £60,000 during the year were within the following ranges:

	Number of employees	
	2020	2019
£90,000 -£100,000	1	0
£80,000-£90,000	0	2
£70,000-£80,000	1	1
£60,000-£70,000	1	0

During the year pension contributions on behalf of these employees amounted to £69,135 (2019: £64,986)

The key management personnel of St Luke's comprise the Chief Executive Officer and the Executive Directors. The total emoluments earned as employees of St Luke's including employer pension contributions and employer NI contributions total £461,096 (2019: £472,446).

Total redundancy payments amounted to £34,751 (2019: £28,854) and are included in wages and salary costs.

Please refer to page 13 of the Trustees' Report for details on how executive pay is set.

	Head count - Average Number of employees	
	2020	2019
Ancillary	41	44
Medical and nursing	75	74
Allied Health Professional	27	27
Professional and technical	31	31
Fundraising	13	14
Administration	17	13
Shops	45	43
	<u>249</u>	<u>246</u>

St Luke's receives a substantial amount of support and expertise from volunteers. The work undertaken by this significant number of volunteers, when expressed as a monetary value for 2019-20, is £947,023 (2018-19: £873,828). This amount is not reflected in the Statement of Financial Activities.

ST LUKE'S HOSPICE**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 MARCH 2020**

6 Net income / (expenditure) for the year

Net income / (expenditure) is stated after charging:

	2020	2019
	£	£
Auditor's remuneration:		
Audit	15,500	13,100
Other Services	1,200	1,000
Hire of other assets – operating leases	243,851	151,117
Loss on disposal of fixed assets	358	1,288
Impairment on revaluation of fixed assets	127,831	258,807
Depreciation	142,570	133,301

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

7 Tangible fixed assets – Group and charity

	Freehold land and buildings				Long leasehold property	Short leasehold property	Equipment, furniture and motor vehicles	Total
	Little Common Lane £	Clifford House £	Shops £	Abbeydale Road shop £				
Cost/valuation								
At beginning of year	1,945,000	3,500,000	1,330,000	110,000		516,421	1,052,376	8,453,797
Additions	58,497	-	69,334	-		10,717	116,932	255,480
Disposals	-	-	-	-		-	(3,997)	(3,997)
Transfers	-	-	-	-		-	-	-
Impairment	(58,497)	-	(69,334)	-		-	-	(127,831)
At end of year	1,945,000	3,500,000	1,330,000	110,000		527,138	1,165,311	8,577,449
Depreciation								
At beginning of year	-	-	-	-		276,232	700,525	976,757
Charge for the year	-	-	-	-		41,747	100,823	142,570
Disposals	-	-	-	-		-	(3,435)	(3,435)
Impairment	-	-	-	-		-	-	-
At end of year	-	-	-	-		317,979	797,913	1,115,892
Net book value								
At 31 March 2020	1,945,000	3,500,000	1,330,000	110,000		209,159	367,398	7,461,557
At 31 March 2019	1,945,000	3,500,000	1,330,000	110,000		240,189	351,851	7,477,040

The buildings at Little Common Lane are erected on freehold land donated to the Charity prior to the opening of St Luke's in 1971. The land is held at fair value. Other significant donated fixed assets are capitalised at their estimated cost.

All the tangible fixed assets are used for the charitable purposes of St Luke's.

ST LUKE'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

7 Tangible fixed assets – Group and charity (continued)

Tangible fixed assets held at valuation

The historic cost equivalent of land and buildings included at valuation are as follows:

	2020		2019	
	Freehold property	Long leasehold property	Freehold property	Long leasehold property
	£	£	£	£
Cost	16,126,393	157,483	16,186,942	157,483
Accumulated impairment losses	(6,436,828)	6,862	(6,504,976)	6,862
Accumulated depreciation	(2,914,565)	(54,345)	(2,906,966)	(54,345)
Net book value	6,775,000	110,000	6,775,000	110,000

Freehold land and buildings were subject to independent, professional valuation as at June 2018. The valuation was undertaken by Lambert Smith Hampton. St Luke's shops were valued on an open market basis. The Little Common Lane site was valued based on a cleared site for redevelopment. Management are of the opinion that the value of these assets has not changed since revaluation. Further professional revaluations will be obtained no more than every 5 years.

8 Fixed asset investments

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Listed Investments:				
Market value at beginning of year	1,585,935	3,040,411	1,585,935	3,040,411
Additions	1,611,991	544,465	1,611,991	544,465
Disposals	(2,004,323)	(2,010,685)	(2,004,323)	(2,010,685)
Net investment (losses) / gains	(192,633)	11,744	(192,633)	11,744
Market value at end of year	1,000,970	1,585,935	1,000,970	1,585,935
Investment cash	22,166	1,896	22,166	1,896
Market value at end of year	1,023,136	1,587,831	1,023,136	1,587,831
Unlisted investments	10	10	84	84
	1,023,146	1,587,841	1,023,220	1,587,915
Historical cost of listed investments	1,118,226	1,411,888	1,118,226	1,411,888
Transfer to current asset investment	(500,000)	(1,000,000)	(500,000)	(1,000,000)
Fixed asset investments	523,146	587,481	523,220	587,915

The historic cost of listed investments of £1,118,226 relates to the carrying value of investments of £523,146 in fixed asset investments and £500,000 in current asset investments.

ST LUKE'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

8 Fixed asset investments (continued)

Included in unlisted investments are companies limited by share capital in which St Luke's interest at the year end is more than 20% as follows:

	Note	Country of incorporation	Principal activity	Class and percentage of shares held
Subsidiary undertaking				
St Luke's Options Limited	23	England and Wales	Trades for the benefit of St Luke's Hospice	100% ordinary
St Luke's Promotions Limited		England and Wales	Dormant	100% ordinary
St Luke's Care Limited		England and Wales	Dormant	100% ordinary

9 Debtors

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	84,878	291,958	82,013	289,049
Income tax recoverable	107,288	101,187	107,288	101,187
Prepayments and accrued income	1,422,745	1,366,014	1,422,745	1,366,014
Other debtors	206,351	130,119	206,351	130,876
Amounts owed by group undertakings	-	-	33,243	-
	1,821,262	1,889,278	1,851,640	1,887,126

10 Current asset investments

	2020	2019
	£	£
Group and Charity		
Listed investments	500,000	1,000,000

11 Cash and Bank

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Cash at bank	923,937	603,227	890,911	596,350
Cash in hand	4,121	2,958	4,121	2,958
	928,058	606,185	895,032	599,308

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

12 Creditors: amounts falling due within one year

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	319,575	419,979	319,575	419,979
Other creditors	447,607	632,454	447,607	632,454
Taxation and social security	130,727	136,269	130,727	136,269
Accruals and deferred income (note 14)	1,110,032	1,016,335	1,110,032	1,016,335
Amounts owed to group undertakings	-	-	4	204
	<u>2,007,941</u>	<u>2,205,037</u>	<u>2,007,945</u>	<u>2,205,241</u>

13 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Group and Charity		
Other creditors	<u>344,101</u>	<u>687,088</u>

14 Deferred income

	£
Group and Charity	
Balance at 1 April 2019	387,994
Amount released to SoFA	-
Amounts utilised in the year	(407,180)
Amount deferred in the year	219,228
Balance at 31 March 2020	<u>200,042</u>

Deferred income relates to funding received in advance of the period to which the funding relates and lottery income received in advance of the draw dates to which it relates.

15 Commitments

Total commitment under non-cancellable operating leases are as follows:

	2020	2020	2019	2019
	Land and buildings	Plant	Land and buildings	Plant
	£	£	£	£
Within one year	221,608	5,576	222,938	6,614
Two to five years	576,208	4,182	621,667	9,758
Over five years	340,867	-	468,567	-
	<u>1,138,683</u>	<u>9,758</u>	<u>1,313,172</u>	<u>16,372</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

16 Summary of movement in funds

	Unrestricted fund £	Designated fund £	Restricted fund £	Total £
Fund balance at 1 April 2019	7,420,821	1,325,000	-	8,745,821
Income	10,260,485	-	274,473	10,534,958
Expenditure	(9,591,172)	(124,540)	(250,963)	(9,966,675)
Investment losses	(230,908)	-	-	(230,908)
Transfers	(126,030)	149,540	(23,510)	-
Revaluation on fixed assets	(127,831)	-	-	(127,831)
Fund balance at 31 March 2020	7,605,365	1,350,000	-	8,955,365

	Unrestricted fund £	Designated fund £	Restricted fund £	Total £
Fund balance at 1 April 2018	7,033,025	1,200,000	-	8,233,025
Income	10,399,229	-	366,187	10,765,416
Expenditure	(9,725,558)	(74,580)	(238,834)	(10,038,972)
Investment gains	45,159	-	-	45,159
Transfers	(72,227)	199,580	(127,353)	-
Revaluation on fixed assets	(258,807)	-	-	(258,807)
Fund balance at 31 March 2019	7,420,821	1,325,000	-	8,745,821

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

16 Analysis of movement in unrestricted funds (continued)

Group	General Fund £	Research and Education £	Strategic Initiative £	Commercial £	Clifford House £	Digital Transformation £	IT Infrastructure £	Community Engagement £	50 th Initiative £	Recovery Covid-19 £	Total 2020 £
Fund balance at 1 April 2019	7,420,821	225,000	250,000	125,000	100,000	150,000	200,000	50,000	225,000	-	8,745,821
Income	10,260,485	-	-	-	-	-	-	-	-	-	10,260,485
Expenditure	(9,591,172)	(24,310)	(13,763)	(59,362)	(7,293)	-	-	-	(19,812)	-	(9,715,712)
Devaluation on fixed assets	(127,831)	-	-	-	-	-	-	-	-	-	(127,831)
Investment losses	(230,908)	-	-	-	-	-	-	-	-	-	(230,908)
Transfers to designated funds	(149,540)	(75,690)	163,763	(65,638)	(92,707)	(150,000)	-	(50,000)	(205,188)	625,000	-
Transfers from restricted funds	23,510	-	-	-	-	-	-	-	-	-	23,510
Fund balance at 31 March 2020	7,605,365	125,000	400,000	-	-	-	200,000	-	-	625,000	8,955,365
<hr/>											
Charity	General Fund £	Research and Education £	Strategic Initiative £	Commercial £	Clifford House £	Digital Transformation £	IT Infrastructure £	Community Engagement £	50 th Initiative £	Recovery Covid-19 £	Total 2020 £
Fund balance at 1 April 2019	7,411,662	225,000	250,000	125,000	100,000	150,000	200,000	50,000	225,000	-	8,736,662
Income	10,181,973	-	-	-	-	-	-	-	-	-	10,181,973
Expenditure	(9,515,308)	(24,310)	(13,763)	(59,362)	(7,293)	-	-	-	(19,812)	-	(9,639,848)
Devaluation on fixed assets	(127,831)	-	-	-	-	-	-	-	-	-	(127,831)
Investment losses	(230,908)	-	-	-	-	-	-	-	-	-	(230,908)
Transfers to designated funds	(149,540)	(75,690)	163,763	(65,638)	(92,707)	(150,000)	-	(50,000)	(205,188)	625,000	-
Transfers from restricted funds	23,510	-	-	-	-	-	-	-	-	-	23,510
Gift aid from subsidiary company	9,229	-	-	-	-	-	-	-	-	-	9,229
Fund balance at 31 March 2020	7,602,787	125,000	400,000	-	-	-	200,000	-	-	625,000	8,952,787

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

16 Analysis of movement in unrestricted funds (continued)

Group	General Fund £	Research and Education £	Strategic Development £	Commercial £	Clifford House £	Digital Transformation £	IT Infrastructure £	Community Engagement £	50 th Initiative £	Total 2019 £
Fund balance at 1 April 2018	7,033,025	225,000	300,000	250,000	75,000	100,000	150,000	100,000	-	8,233,025
Income	10,399,229	-	-	-	-	-	-	-	-	10,399,229
Expenditure	(9,725,558)	(13,671)	-	(60,909)	-	-	-	-	-	(9,800,138)
Devaluation on fixed assets	(258,807)	-	-	-	-	-	-	-	-	(258,807)
Investment gains	45,159	-	-	-	-	-	-	-	-	45,159
Transfers to designated funds	(199,580)	13,671	(50,000)	(64,091)	25,000	50,000	50,000	(50,000)	225,000	-
Transfers from restricted funds	127,353	-	-	-	-	-	-	-	-	127,353
Fund balance at 31 March 2019	7,420,821	225,000	250,000	125,000	100,000	150,000	200,000	50,000	225,000	8,745,821
Charity	General Fund £	Research and Education £	Strategic Development £	Commercial £	Clifford House £	Digital Transformation £	IT Infrastructure £	Community Engagement £	50 th Initiative £	Total 2019 £
Fund balance at 1 April 2018	7,020,518	225,000	300,000	250,000	75,000	100,000	150,000	100,000	-	8,220,518
Income	10,321,616	-	-	-	-	-	-	-	-	10,321,616
Expenditure	(9,657,175)	(13,671)	-	(60,909)	-	-	-	-	-	(9,731,755)
Devaluation on fixed assets	(258,807)	-	-	-	-	-	-	-	-	(258,807)
Investment gains	45,159	-	-	-	-	-	-	-	-	45,159
Transfers to designated funds	(199,580)	13,671	(50,000)	(64,091)	25,000	50,000	50,000	(50,000)	225,000	-
Transfers from restricted funds	127,353	-	-	-	-	-	-	-	-	127,353
Gift aid from subsidiary company	12,578	-	-	-	-	-	-	-	-	12,578
Fund balance at 31 March 2019	7,411,662	225,000	250,000	125,000	100,000	150,000	200,000	50,000	225,000	8,736,662

16 Analysis of movement in unrestricted funds (continued)

Amounts from general funds have been transferred to the following designated funds as detailed below:

The named designated funds are estimated amounts set aside for specific strategic activities and programmes, and are considered by the directors each year to determine their continued adequacy and necessity based on circumstances and current understanding.

At 31 March 2020 the **Commercial, Clifford House, Digital Transformation, Community Engagement** and **50th Initiative** funds have been closed, creating a larger **Strategic Initiative Fund** which covers these and other service transformation objectives, and to allow the creation of a **Covid-19 Recovery** fund which is seen as necessary to allow St Luke's to deal with immediate pressures arising from the pandemic.

The **Research and Education** fund is held to support future development of research and education programmes, for the benefit of St Luke's patients and clients, as well as in support of the wider community, and to assist in the creation of necessary infrastructure over the next three to five years.

The **IT infrastructure** fund is held to support ongoing updating of IT security and infrastructure to ensure that St Luke's is operating at optimum levels for staff to perform their jobs efficiently and to protect from cyber-attacks while ensuring appropriate disaster recovery arrangements are in place.

The transfer of funds from restricted to general funds was in respect of the purchase of fixed assets which have now fulfilled their restriction.

ST LUKE'S HOSPICE

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YEAR ENDED 31 MARCH 2020

17 Analysis of movement in restricted funds

Group and Charity	Capital Appeal £	Support a Nurse £	HEYH Deanery funding £	Other £	Total 2020 £
Fund balance at 1 April 2019	-	-	-	-	-
Income	-	10,665	173,198	90,610	274,473
Expenditure	-	(10,665)	(173,198)	(67,100)	(250,963)
Transfers	-	-	-	(23,510)	(23,510)
Fund balance at 31 March 2020	-	-	-	-	-

Group and Charity	Capital Appeal £	Support a Nurse £	HEYH Deanery funding £	Other £	Total 2019 £
Fund balance at 1 April 2018	-	-	-	-	-
Income	16,954	10,345	173,198	165,690	366,187
Expenditure	-	(10,345)	(173,198)	(55,291)	(238,834)
Transfers	(16,954)	-	-	(110,399)	(127,353)
Fund balance at 31 March 2019	-	-	-	-	-

Capital Appeal

This fund is for donations, grants and Trust income received towards the IPC building project.

In accordance with SORP (FRS 102) funds received for capital assets used for general charitable activity are transferred to unrestricted funds once the funds have been fully spent.

Support a Nurse

This represents donations received to support the nursing costs of St Luke's, fully expended in the year.

Health Education Yorkshire and the Humber (HEYH) Deanery funding

The Deanery has provided funding specifically for the purpose of supporting the costs of training-grade doctors working with St Luke's. This funding was spent on the costs of providing St Luke's medical team in 2019-20.

ST LUKE'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

17 Analysis of movement in restricted funds (continued)

Other

St Luke's has received funding from other bodies (including Charitable Trusts) in the financial year, which is summarised as follows:

	Received in year 2020 £
Funding for capital assets	23,510
Funding for revenue expenditure	67,100
	<u>90,610</u>

18 Reconciliation of net income to net cash flow from operating activities

	2020 £	2019 £
Net income for the year	568,283	726,444
Return on investments	(95,804)	(111,036)
Depreciation charge	142,570	133,301
Loss on disposal of fixed assets	362	1,288
(Increase)/decrease in stocks	4,218	(15,561)
Decrease/(increase) in debtors	68,016	(926,107)
(Decrease) in creditors	(540,083)	(796,767)
Net cash flow from operating activities	<u>147,562</u>	<u>(988,438)</u>

19 Analysis of cash and cash equivalents

	At beginning of year £	Cashflow £	At end of year £
Cash at bank and in hand	606,185	321,873	928,058
Cash held as investments	1,896	20,270	22,166
	<u>608,081</u>	<u>342,143</u>	<u>950,224</u>

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YEAR ENDED 31 MARCH 2020

20 Analysis of assets between funds

2020	Unrestricted funds	Designated funds	Total 2020
	£	£	£
Tangible fixed assets	7,461,557	-	7,461,557
Investments	523,146	-	523,146
Current assets	1,972,704	1,350,000	3,322,704
Creditors: amounts falling within one year	(2,007,941)	-	(2,007,941)
Creditors: amounts falling due in greater than one year	(344,101)	-	(344,101)
	<u>7,605,365</u>	<u>1,350,000</u>	<u>8,955,365</u>

2019	Unrestricted funds	Designated funds	Total 2019
	£	£	£
Tangible fixed assets	7,477,040	-	7,477,040
Investments	587,841	-	587,841
Current assets	2,248,065	1,325,000	3,573,065
Creditors: amounts falling within one year	(2,205,037)	-	(2,205,037)
Creditors: amounts falling due in greater than one year	(687,088)	-	(687,088)
	<u>7,420,821</u>	<u>1,325,000</u>	<u>8,745,821</u>

21 Related party transactions

No remuneration has been paid to any Trustee (2019: £nil). Expenses totalling £760 were paid to a third party on behalf of one Trustee for legitimate business expenditure incurred during the year in connection with the running of St Luke's affairs (2019: £45).

Indemnity insurance has been purchased from funds to:

- Protect the Trustees from loss arising from the neglect or defaults of its members or employees; and
- Indemnify Trustees from the consequences of any neglect or default on their part.

The cost incurred during the year was £992 (2019: £713).

The Broomgrove Trust was an associate charity until 31st October 2019, at which point St Luke's relinquished membership and sold the property freehold to the Broomgrove Trust for £20,000. During the year, costs of £20,504 (2019: £23,704) have been recharged from St Luke's to The Broomgrove Trust. Costs of £3,536 (2019: £2,000) have been recharged from The Broomgrove Trust. The amount due to St Luke's Hospice at the year end is £5,218 (2019: £6,109).

Irwin Mitchell, of which Laurence Gavin (trustee) is a partner, has provided legal advice totalling £6,000 (2019: £1,506) to St Luke's during the year. Benchmark Recruit Limited, of which Louisa Harrison-Walker (trustee) is a director, has invoiced recruitment fees totalling £4,500 (2019: £nil) to St Luke's in the year.

22 Pension costs

NHS Pension Scheme

Employees who joined St Luke's prior to 31 March 2013 from the NHS are entitled to remain members of the NHS 1995/2008 superannuation scheme which provides benefits based on final pensionable pay. The NHS 1995/2008 Pension Scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. As a consequence, it is not possible for St Luke's to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme and the cost of the scheme is equal to the contributions payable to the scheme for the accounting period.

Employers' pension costs contributions are charged to operating expenses as and when they become due. The last valuation on which contributions are based (31 March 2016) was published in February 2020 and noted a notional deficiency of £19.4bn (7% of notional fund value). The employer's contribution rate increased from 14.38% to 21.88% from 1 April 2020. In the first year, the uplift is being funded by the Department of Health and Social Care.

The total employer contribution payable in 2019-20 was £40,432 (£47,956 for 2018-19). £3,198 was outstanding at the year end (2019: £3,699). In addition, employees who are members of the Scheme paid salary dependent variable contributions in the range 5.6% to 12.5%.

The scheme is subject to an accounting valuation each year at the balance sheet date by the Scheme Actuary. The statement at 31 March 2019 is based on an assessment of the liabilities as at 31 March 2018, with an approximate updating to 31 March 2019 to reflect known changes. The latest assessment of the liabilities of the Scheme is contained in the Scheme Actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Resource Account, published annually. These accounts can be viewed on the NHS Pensions website. Copies can also be obtained from the Stationery Office

The details of current rates and contributions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/nhs-pensions.

From 1st April 2013, new employees to St Luke's from the NHS have been invited to join, at their discretion the Group Personal Pension Plan or are enrolled in the Auto-Enrolment Pension Scheme which they may opt out of at their request. Therefore, employees of St Luke's are not part of the NHS 2015 pension scheme which is a Career Average Revalued Earnings (CARE) scheme.

Group Personal Pension Scheme

Excluding those employees for whom St Luke's continue to make contributions to the NHS superannuation scheme, all other St Luke's employees are enrolled into the Group Pension Scheme arranged by Scottish Widows which they may opt out of at their request. St Luke's makes an employer contribution which matches the employees contribution within the parameters of the scheme. These pension funds are assets of the individual and St Luke's has no liability nor interest in the value of each fund. St Luke's contributions are released to the SOFA as they are incurred. Contributions made during the year were £241,800 (2019: £210,366). £20,587 was outstanding at the year-end (2019: £17,169).

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YEAR ENDED 31 MARCH 2020

22 Pension costs (continued)

St Luke's allows arrangements for contributions to certain other registered personal pension funds through its pension broker, John James (an independent financial adviser) to best meet the circumstances of its employees. The employer pension contributions made during the year are £22,227 (2019: £Nil). £Nil was outstanding at the year-end.

23 St Luke's Options Limited

Profit and loss account

For the year ended 31 March 2020

	2020	2019
	£	£
Turnover	78,512	77,613
Cost of sales	(18,590)	(22,189)
Gross profit	59,922	55,424
Administrative expenses	(57,274)	(46,195)
Retained profit for the year	2,648	9,229

Net assets at the year end were £2,648 (2019: £9,229). The principal activity of St Luke's Options Limited is to trade for the benefit of St Luke's.

24 St Luke's Hospice

The consolidated SOFA includes the results of the wholly owned subsidiary, St Luke's Options Limited.

The summary financial performance of the Charity alone is:

For the year ended 31 March 2020

	2020	2019
	£	£
Income	10,456,446	10,687,803
Expenditure	(9,890,811)	(9,970,589)
Net Income	565,635	717,214
Other recognised gains	(230,908)	45,159
Net income	334,727	762,373
Impairment of fixed assets	(127,831)	(258,807)
Net movement in funds	206,896	503,566
Total funds brought forward	8,736,662	8,220,518
Gift aid from subsidiary company	9,229	12,578
Surplus for the financial year	206,896	503,566
Total funds carried forward	8,952,787	8,736,662
Represented by:		
Unrestricted funds	8,952,787	8,736,662
Restricted funds	-	-
	8,952,787	8,736,662