

**ST LUKE'S HOSPICE  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2021**



**Sheffield's Hospice**

Charity registration number: 254402  
Company registration number: 00922448

**ST LUKE'S HOSPICE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2021**

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I am pleased to present the 2020-21 Annual Report and Financial Statements for St Luke's.

I finished my report last year by saying "The impact of the pandemic is by no means over and we face change and a continuing fight". That has proved to be the case and it has been a very challenging year for our staff, volunteers, patients and supporters. However, I am delighted that we have continued to provide our essential care and support to the people of Sheffield. Throughout the financial year and up to the present day we have continued to develop, grow and innovate our services to ensure that we deliver support and care to those affected by terminal illness in Sheffield.

Despite the challenges of the pandemic, in 2020-21 we cared for 1,905 patients – a very similar number to the previous year. Given that we have had to contend with lockdowns, PPE challenges, social distancing and self-isolation, this truly is a remarkable achievement. Our Community Team made over 16,000 contacts (video and phone calls) with patients and their families to support their care, alongside almost 5,000 in person visits to their homes and care homes, often in very difficult conditions.

I could write many words about the impact and importance of the patient-centred care our Community Team provide, but I think this quote from a friend of a patient who we cared for sums it up very well:

*"I am so grateful for the support given to my friend by the Community Team and given to me. They wanted to die at home, which wasn't the most practical setting but everything was made possible. It was never about what was easier to do, it was about what the patient wanted, everything was person centred. Thank you so much for securing staff with values, with compassion and empathy as well as clinical skills. Thank you for doing what you do."*

St Luke's In Patient Centre has remained open throughout the pandemic and although we have had a slightly reduced bed occupancy we cared for 326 patients, providing 24/7 specialised palliative care.

We have taken many steps to increase our provision of care – including extending our working hours in the community setting, introducing more extensive telephone and online support, developing and increasing the impact of our ECHO programmes, and extending our bereavement support to two GP networks in the city. Inevitably we have had to adapt the model of some aspects of our care in response to the pandemic. It has not been possible to provide our support services at Clifford House in person, so these have moved online, and the care and support offered from our Active Intervention Centre has been delivered in other, often innovative, ways.

Like many businesses and organisations, the financial impact of the pandemic has been significant. We have taken a number of cost-cutting initiatives, including a voluntary redundancy programme that saw 19 staff members leave St Luke's during the year. We thank all these colleagues for their work over many years.

With our chain of charity shops shut or severely restricted in trading for much of the year and our events programme and community fundraising initiatives curtailed – a combined loss of over £3m of income – we have had to be agile to maintain significant levels of self-generated income and our fundraising team did an excellent job.

We have also had an unprecedented year for legacy income. Money very kindly left to us in Wills is an important and humbling part of our income. In a typical year we might receive around £1m of bequests, however in 2020-21 we received over £2m – a very timely and gratefully received level of legacy giving. Another significant factor in our recording a surplus is that NHS England provided support funding to hospices in England, helping to protect services that would otherwise have been at risk through the loss of voluntary fundraised and retail income.

Overall we were able to declare strong surplus of over £2m. It is important to reflect that both the one off sector funding by NHSE and the high legacy income levels are not expected to be repeating events. We are therefore budgeting for a deficit in the 2021-22 year of approaching £1m, as social distancing and other restrictions continue to severely hamper our income generation efforts. This year's surplus must therefore be understood in the context of a two to three year pandemic period, across which we hope to make a small surplus to enable our vital care to continue and grow.

On behalf of the Board of Trustees I would like to extend my heartfelt thanks to Professor Rob Coleman who stood down as a Trustee of St Luke's in December 2020 after many years of dedicated service. Rob has been an integral member of the Board and Chaired the Healthcare Governance Committee for many years. Although we are sad to lose Rob's services as a Trustee, I am delighted that he has agreed to continue his involvement at St Luke's by Chairing our Research Committee in his new capacity as a Lay Member.

I would also like to express both my and the Board's gratitude to Andrew Coombe, HM Lord-Lieutenant of South Yorkshire, who stood down from his role of honorary Vice-President in December 2020. Andrew had served in this office since 2009 and prior to this he was Chair of St Luke's Board of Trustees for several years. Thank you, Andrew, for your decades of service and for all that you have contributed to our wonderful charity.

In these challenging times, I would like to give my thanks to Peter Hartland and the whole Executive team for their leadership, commitment and courage in guiding St Luke's through the past 18 months.

I am very pleased to congratulate Helen Day following her appointment as Director of People and Culture on 1 June 2021. Helen has worked at St Luke's since 2015, most recently as Executive Lead for HR, Volunteering and L&D. The Board of Trustees join me in wishing Helen all the best in her new role.

Finally, and most importantly, I would like to thank all the supporters, volunteers, staff and everyone involved with St Luke's for helping us to emerge from the height of the pandemic without having compromised the quality and breadth of our care and in a strong financial position. We have adapted and grown and demonstrated that we are vital and ready for the post-pandemic world. On 1 October 2021 it will be 50 years since St Luke's opened its doors to the people of Sheffield and we are looking forward to a series of events and city-wide celebrations to mark this milestone in the year ahead.

**Neil MacDonald**

Chair of the Board of Trustees

St Luke's Hospice, Sheffield

Date: 2 September 2021

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

**YEAR ENDED 31 MARCH 2021**

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The Trustees present their report and the audited financial statements of the charity for the year ended 31 March 2021. 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 Quality Account**

St Luke's produces an annual **Quality Account** which is shared with the Department of Health and Social Care but is publicly available. The Quality Account gives a more clinically-focused review of activities and priorities, including quality improvement initiatives. A copy of this report can be found at:

<https://www.stlukeshospice.org.uk/welcome/quality-account>.

Whilst this Trustee Report gives an overview of activities and achievements, we refer readers to this and other publicly available documents which give a wider and more comprehensive picture of the great work done by the charity, which can be found through St Luke's website [www.stlukeshospice.org](http://www.stlukeshospice.org).

**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**

St Luke's commenced detailed planning for our response to the Coronavirus pandemic in January 2020, as the likely scale of the problem became apparent. In response to the scale of the crisis, we developed a strategy specific to the issues we faced, focusing on four objectives:

- Stay safe – for patients and families, employees and volunteers, colleagues and the public; and working for the wellbeing of these groups.
- Maintain vital services – wherever possible, to keep core services running and 'step up' to deliver new services necessary during the pandemic.
- Ensure sustainability – by managing our financial and other resources through challenging situations to preserve services and the long-term future for the charity.
- Looking out for our vulnerable colleagues and clients – making sure that we care for those denied our normal services, as well as vulnerable employees and volunteers.

Each of these objectives has presented huge challenges, from the procurement of PPE, to supporting care homes in crisis, and securing critical income to maintain operations – and everything in between. It has, however, been successful in delivering high quality care across the crisis, supporting our teams, and keeping the organisation viable and sustainable.

We are delighted that the numbers of patients have not fallen during the pandemic. We have provided our usual exceptional quality of care, to nearly 2,000 patients, in Covid-safe ways that have protected our staff, volunteers, patients and their families.

As we start to emerge from the pandemic we are building our sustainable fundraising and retail income streams to pre-pandemic levels, we are refreshing our model care in Active Intervention Centre and the support we provide to the community at Clifford House, as we continue to provide outstanding palliative care to some of the most vulnerable people in Sheffield. Until recovery becomes sustainable, St Luke's will continue to follow its pandemic strategy.

### **Review of services and activity**

St Luke's provides palliative and end of life care for patients who have life limiting illnesses. This is not limited to patients who have cancer but includes neurological conditions like motor neurone disease, human immunodeficiency virus (HIV) and end stage heart, kidney and lung conditions – and for the first time Covid-19 was added to these causes in 2020-21. Care of patients with non-cancer illnesses has risen to 30% for the 2020-21 year from 29% last year.

Overall our clinical teams helped 1,905 individual patients (2019-20: 1,906), through 2,864 spells of care (2019-20: 3,056) – demonstrating that St Luke's continued to respond to the demand for our services despite the pandemic. The continued scale of demand for our services - delivered under the most difficult circumstances during the pandemic - combined with the increasing complexity of our patient group to increase the pressures we face every day. The year was exceptionally difficult for our teams, who delivered wonderful care and services despite the challenges, and found new ways of working and innovative solutions to ensure St Luke's responded to the needs of the people of Sheffield.

On top of the high demand, the pandemic has accelerated the number of complex patients in our care. These have often exhausted the ability of other healthcare professionals and providers to cope with the severity of their needs and conditions, frequently escalating them to 'crisis' status - requiring St Luke's immediate involvement and attention from the most senior members of our clinical teams. We have seen a fourfold increase in such patients during the year, which puts significant demands – including emotional demands – on our teams.

Some service highlights for 2020-21 are as follows:

General	<ul style="list-style-type: none"><li>• 30% of our patients have a non-cancer diagnosis</li><li>• 1,905 patients were helped by clinical teams in 2020-21</li></ul>
Community and Homecare Team	<ul style="list-style-type: none"><li>• In the year our teams made 4,848 visits to patients at home and in care homes across Sheffield, and 16,217 phone and video calls to them in support of their care</li><li>• St Luke's received 2,133 referral requests to our community service from GPs and other healthcare professionals</li><li>• 45% of visits were to patients who required urgent care from our Intensive Treatment Team</li></ul>
In Patient Centre (IPC)	<ul style="list-style-type: none"><li>• 24-hour care and support by our team of specialist nursing, medical and health professional staff</li><li>• Over the last 12 months we cared for 326 patients at our IPC</li><li>• During the year we operated at a 72% bed occupancy</li><li>• On average each patient stayed at the IPC for 17 days with 34% able to return home after specialist intervention treatment</li></ul>
Bereavement Support Team	<ul style="list-style-type: none"><li>• 809 relatives were supported with bereavement counselling and supported after the death of a loved one</li><li>• The Bereavement Team of staff and volunteers delivered 2,850 sessions with clients in the year</li></ul>

### **Our care during the pandemic**

Our response to the crisis has been built upon a true team-ethic, with representatives from all areas of the organisation meeting frequently throughout the pandemic to plan our response, and to consider how this will affect those for whom we care, and the quality of the care we provide.

Only two areas of service closed during the pandemic – our services at Clifford House and the day-centre aspect of our Active Intervention Centre. This was to minimise risk to vulnerable patients, visitors and volunteers. In both cases alternative support mechanisms were introduced to provide continued contact and advice, which has been welcomed.

Throughout the pandemic St Luke's has maintained the capacity of its services. The In Patient Centre has been adapted to provide up to four isolation beds with special access (to respond to the needs of Covid positive patients), and the Community team has maintained visiting to homes and care homes throughout. PPE has been sourced,

initially with difficulty, to maintain safety and we are proud that only a small number of our team members have contracted Covid-19, mostly with minor symptoms and who made a quick recovery.

St Luke's has changed working practices, and led and supported a number of critical initiatives in the city during the crisis, including:

- **Rolling out mobile working to frontline and support staff across the organisation** – within one month of lockdown, we had enabled around 90% of our staff to work and deliver services from home or away from areas of significant risk. This involved the purchase and set-up of laptops, mobiles, home working equipment, video-conferencing software, licences, and much more.
- **Extended working hours in the community** during the lockdowns, to provide visits and phone support until 8pm – helping the most vulnerable and those for whom normal healthcare provision was hard to access.
- **Introduced more extensive telephone and online support for community-based patients;** across the year this delivered 16,217 individual contacts and consultations, adding hugely to the 4,848 regular and intensive home and care home visits conducted by the Team.
- **ECHO** – Using St Luke's in-house expertise and resources, providing a range of support cross-system based on the ECHO tele-support system, including a) guidance for GPs and community workers on Advance Care Planning and Symptom Management; b) supporting care home staff through the most difficult periods of the pandemic; c) providing memorial services to care homes who experienced high numbers of deaths through Covid; d) helping to train key workers supporting the homeless in safe use of PPE, and advising on safe practices within centres designated for care of the homeless community – and much more. The ECHO system delivered 166 sessions involving 4,679 attendances by healthcare professionals and key workers, and is now recognised as a crucial system for the coordination of care across multiple disciplines in the city. St Luke's is one of just four ECHO Superhubs in the UK.
- **ECHO Voices** – Developing St Luke's local expertise delivery of tele-mentoring and tele-support through ECHO technology, created 'virtual clinics' for care homes to attend to support with symptom management and provide the staff in care homes with emotional support. This was extended to bereavement services from St Luke's to provide staff in care homes with emotional and bereavement support. St Luke's was credited with playing a significant part in Sheffield's relative success in supporting the care home sector across the pandemic, and cited at the memorial event in March 2021.
- **Medicines Management** – City-wide work to develop verbal order notifications on pink cards, develop medicine formulae to manage symptoms of Covid in the community, and support complex medication needs.
- **Bereavement support** – we extended our bereavement service to support two GP networks across the pandemic, to help share the expertise of our teams in counselling and post-death trauma care.

St Luke's continues to manage a Covid-secure environment across all its services and activities, based on a risk-assessment approach which is continuously updated and monitored.



## Our People

It is our people who make St Luke's such 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. As a result of safety issues arising from the pandemic volunteering opportunities have been unfortunately very limited in 2020-21. However, we have kept in touch with our loyal team of volunteers and we are delighted to see many returning as the country emerges from the worst of the pandemic.

## Fundraising

The pandemic presented many challenges to our fundraising team and our supporters, but we are delighted to have recorded £2.1m in legacy income (2019-20 £1.3m), £0.8m in lottery income (2019-20 £0.9m), and £2m in all other fundraised income (2019-20 £1.9m). We would like to thank every single one of our loyal and fantastic donors for helping St Luke's to record an excellent level of self-generated income during what have been very concerning times for everyone's finances.

Unfortunately, our calendar of in-person fundraising events was suspended throughout the year but we moved many of our supporters' favourite events online – such as the Festival of Light and Night Strider – and we were amazed by the generosity of the public in supporting St Luke's in making these 'remote' events such as success.

We also had to make the difficult decision to stop our door to door lottery cash collections, as it was just not possible to make these collections in a Covid-secure way. We would like to place on record our heartfelt thanks to our long standing team of volunteer lottery cash collectors for their tireless work in supporting our lottery over many years. A large number of our cash players switched to playing by direct debit and we are grateful to them, and the 13,000 people who have continued to play the St Luke's weekly lottery throughout the pandemic. The lottery is a very important part of our fundraising and we have exciting plans to continue to grow our player numbers over the coming months.

As ever we are immensely grateful and truly humbled by the people who so kindly leave St Luke's a gift in their Wills when they die. Our legacy income in 2020-21 has been at an unprecedented level and this incredible generosity has been a major reason as to why we are emerging from the pandemic with our finances in good shape. The legacy of these bequests is that they have helped the vital services provided by St Luke's to our patients and families to be more sustainable in the months and years to come.

For every £1 we spent on fundraising, we generated £5.94 in income which went straight to the people who need it most – a phenomenal result in a tumultuous year.

## 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 participators and professional fundraisers representing St Luke's.
- Our Fundraising Team organises fundraising events and activities, co-ordinate 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 participator 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.

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

**YEAR ENDED 31 MARCH 2021**

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- 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 participators 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 procedure for managing complaints 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 4 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**

Retail sales for the year, at £0.6m, were at least £2.4m less than they would have been had it not been for the pandemic. The three lockdowns, and the restrictions introduced during the small windows of trade, resulted in vastly reduced sales across the shop chain. Our e-trading performed well with £101k of sales in the year as the public switched to online purchasing.

We were inundated with donations coming out of each lockdown when the lifting of restrictions allowed the public to visit us to drop off their pre-loved clothes and goods. We are, as always, extremely grateful to the Sheffield public for supporting our shop chain in this way. Quite simply: without these donations our chain would not be sustainable and would close. However, with the shops shut for much of the year we were not able to sell the donated goods. Allied to this we were not able to sort the donations as quickly as normal due to social distancing rules, the need to quarantine donations, and our army of volunteers not able to join us in sorting stock due to shielding and other safety reasons. This combination of issues resulted in a mounting challenge as to how to store the many tens of thousands of unsorted bags of donations.

We took out a short term lease on a warehouse on Manchester Road in Stocksbridge to store much of this excess stock and we are very grateful to Drakehouse Retail Park for kindly providing us to with a large retail unit for storage purposes for much of the year.

Our main sorting and processing area – the Donation Centre – has been streamlined and transformed in the year to be an efficient and Covid-safe operation. With our retail chain opening after the year end, and seeing strong sales, we are now starting to sell the 'lockdown' donations, plus the new donations that are coming to St Luke's on a daily basis.

We closed one of our two shops in Nether Edge early in the financial year as the lease was coming to an end and we could not justify renewing it with the shop likely to be shut for many months. However, now we are open and trading well again as we emerge from the pandemic, we are looking to open new shops over the next couple of years.

We would like to thank the landlords who supported us with rent deferrals and holidays during the year – these were much appreciated and helped prevent other shop closures.

### **Financial Overview**

In March 2020 St Luke's set a budget for the financial year to March 2021 with the expectation of recording a small financial deficit for the year. This was based on NHS contract funding providing c.26% of the total income required to run St Luke's during the year, with the other 74% being generated through donations, legacies, fundraising projects, our chain of charity shops and other activities.

In early 2020 our financial model was critically undermined following the imposition of the first pandemic lockdown, which 'turned off' nearly 75% of our income overnight. We worked closely with NHS Sheffield CCG and other bodies and took advantage of all available government schemes to manage the situation.

St Luke's furloughed nearly 40% of its staff at the peak of the lockdowns, to save money. We also took the very difficult decision to reduce our staff base to help protect sustainability, with an 8% reduction effected in October 2020, resulting in 19 colleagues leaving through voluntary redundancy. Such things are painful and add pressures to the team remaining. We thank those who left us for their work, and we thank those who are still employed by St Luke's for their dedication.

We also took the decision to suspend all volunteering from March 2020, still in force at March 2021, with safety of our volunteers a priority. We miss our dedicated volunteers who add so much to the care for our beneficiaries and who help to support our income generating activities. Thankfully we've been able to keep in touch with our volunteers and offer some support across the pandemic.

During the year we are particularly grateful to NHS England (NHSE) for its support to hospices, helping to protect the services that would otherwise have been at risk through the loss of voluntary fundraised income. Through special COVID-19 capacity-supporting contracts, NHSE provided £2.7m of funding to St Luke's to purchase critical bed capacity plus community visits and contacting between April 2020 to March 2021. We are also grateful to Hospice UK, a charity which advocates support for hospice and palliative care, for its work to secure this funding. St Luke's delivered on its contractual commitments under this arrangement which provided much needed funding. This, together with some incredibly generous local benefactors, the public in Sheffield, and certain trusts and grant-making bodies, has helped us to buffer our income and avoid the losses expected for the year.

We expect the 'recovery mode' from Covid to continue until at least 2023, but at the present time owing to the outcome of the 2020-21 financial year and our ongoing cost savings, we feel more confident of sustainability although we do expect financial deficits in that period, which will be supported by our reserves.

We are grateful to NHS Sheffield CCG for its commitment to honour the third year of our corrective funding uplift in 2021-22, which helps to give us a more manageable baseline. We are also appreciative of the CCG's specific Covid-related funding through 2020-21 which has helped us to cover the costs of PPE, and allowed us to deliver specific services such as ECHO Voices, until 31 March 2021.

Our income overall increased by £2.2m from 2020 to £12.8m in the year to 31 March 2021. The following summarises the main factors behind this increase in income:

- Donations and legacies – increased by £1.2m, much of the increase being due to a significant increase in legacy income.
- Special events and sundry sales – decreased by £0.4m as we could not hold our 'in person' calendar of events in the year.
- Charity shop sales – decreased by £2.2m as the chain was shut for much of the year due to the pandemic, with restricted trading when it could open.
- CJRS funding – a new income line of £0.6m, being the Job Retention Scheme funding.

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

## YEAR ENDED 31 MARCH 2021

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- CCG contract – increased by £0.2m, being the second of three years of agreed increases in contract value.
  - NHS England Contractual Funding – this one off funding of £2.7m is St Luke's element of the restricted NHSE funding for the sector.
  - Other Covid-19 Funding – at a similar level to the prior year, this is a combination of retail rates grants and the reimbursement of PPE and other essential pandemic expenditure by the CCG.
  - Other funding – this new income line represents income received from NHS Sheffield CCG in respect of 'Winter pressure discharge' funding.

Expenditure on raising funds reduced £0.4m in the year, as various initiatives could not take place in the year, such as lottery canvassing and in person events. There was also a small saving in the operating costs of running our chain of charity shops, as they were unoccupied for much of the year, so we used less gas and electric.

Our expenditure on charitable activities – front line care – increased by £0.2m to over £7.3m in the year. Expenditure on direct costs accounted for 86% of all costs in the year, with 14% being support costs – please refer to note 3 to the accounts for further information. The increasing costs of regulatory governance for our charity are included in the 'support costs' figure. Employment costs continue to be the most significant cost incurred by St Luke's accounting for two thirds of all our expenditure at £6.5m in the year.

### 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. In the year under review Investec Wealth and Investment, authorised investment advisers, managed the portfolio on a discretionary basis. The overall objectives are to create sufficient income and capital growth to enable the charity to carry 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.

	<b><i>Standard Criteria</i></b>
<b><i>Objective</i></b>	<i>'Balanced' return between income and growth</i>
<b><i>Risk</i></b>	<i>Medium</i>
<b><i>Mandate</i></b>	<i>Discretionary</i>

Both capital and income may be used for the furtherance of the charity's aims.

The capital base is to be maintained in a mixed portfolio of investments. The portfolio asset allocation ranges are set out below:

Asset Class	Ranges	Comparative Indices
	%	
Fixed Interest	10 - 35	7.5% BofA Merrill Lynch Gilt 5-15 Years 7.5% BofA Merrill Lynch £ Corp and Collateralized Index 5% BofA Merrill Lynch Inflation Linked Gilt 1-10
Equities	45 - 75	30% MSCI United Kingdom Equity IMI (Net) 30% MSCI ACWI World Index Ex UK (Net)
Property	0 – 12.5	MSCI UK IMI Liquid Real Estate (Net)
Other Assets	2.5 - 20	IWI Alternatives Composite
Cash	0 - 20	

- i. Bonds. The investment manager will hold a prudent range of fixed interest securities that might include Government Bonds, Corporate Bonds, Collective Funds, Preference Shares or PIBS.
- ii. Income Target. Commensurate with the above asset allocation.
- iii. Restrictions.
  - a. No individual investment, with the exception of government bonds, should exceed 5% of the total value of the funds under management. For Collectives the limit is 10%.
  - b. Direct investments in negotiable instruments known as "derivatives" are not permitted.

As a result of the significant financial impact anticipated by the pandemic and the need to ensure adequate cash was available in the bank, much of the portfolio was divested early in the 2020. As St Luke's financial situation became clearer towards the end of the 2020-21 financial year we reinvested elements of our cash reserves into our investment portfolio, resulting in a year-end balance of just under £2.6m held as fixed asset investments.

Due to St Luke's holding much reduced investment portfolio balances during the year, the income from investments reduced from £96k in the prior year to £27k in 2020-21.

### Ethical Investment Policy

St Luke's trustees have determined that within a balanced and managed investment portfolio there should be 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.

In addition to any exclusions noted above, the trustees expect our investment portfolio managers to have some consideration of ethical, social and corporate governance issues when undertaking the investment of the charity's funds in direct equities. In particular, companies that fail to adhere to internationally recognised standards of corporate governance, labour standards, and companies that consistently fail to meet UN guiding principles for business and human rights should also be excluded from direct investment.

When investment of St Luke's funds is undertaken via collective vehicles (unit and investment trusts) it is expected that our investment portfolio managers will engage with the appointed fund managers on matters of corporate governance. The trustees accept that some indirect investments may be in areas contrary to the principles, aims and objectives of the charity although reasonable steps should be taken by investment portfolio managers to highlight these if they are deemed to be significant in the overall context of the charity's investment portfolio.

#### **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 an issue that has an adverse financial impact. This is currently calculated at £1.5m.
- St Luke's designated reserves policy is to hold appropriate 'designated reserves' for strategic and capital projects as determined on an annual basis; these reserves can be designated, re-designated or released at the discretion of the Board of Trustees.
- 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 2021 St Luke's held £11.5m in total reserves (2020: £9.0m). Of this we have identified a total of £1.5m (2019: £1.4m) as designated funds to be set aside for specific future activities. Spend against these activities is anticipated to occur over the next three to 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 2022 should remain in free reserves.

Of the total reserves held, £4.3m were held as free reserves (2020: £1.2m) being the total of general funds (£10.0m), less total tangible fixed assets (£6.7m), plus the longer-term portion of designated funds (£1.0m). The level of free reserves at 31 March 2021, £4.3m, is above the level we set in our reserves policy.

The Board is comfortable with the current level of free reserves following the pandemic and forthcoming uncertainties. The post-Covid world will require a different approach to reserves maintenance, one based on a closer

analysis of risk and that also enables the organisation to manage its way through critical moments and financial problems.

Cash at bank and in hand at 31 March 2021 was £2.7m which is well in excess of the £300k required by the policy due to the unpredictability of the timing of legacy cash receipts and the 'one off' pandemic related funding received in the year.

The general unrestricted reserves held at 31 March 2021 totalled £10.0m (2020: £7.6m).

### 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 2021, St Luke's identified a total of £1.5m of its reserves as designated funds, summarised as follows:

- At 31 March 2021 the Covid-19 Recovery Fund has been closed, the risks of the initial phases of the pandemic having been addressed.
- The **Research and Education** fund has been increased by £25,000 to **£150,000**. This 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.
- We have maintained the **£400,000** in the **Strategic Initiative** fund, as many of the reasons for earmarking these funds remain as we emerge from the pandemic. The fund amalgamated the Commercial, Clifford House, Community Engagement and 50th Initiative funds and we plan to take forward initiatives in all these areas in the coming months and years.
- The **IT Infrastructure** fund is held to support the ongoing update of IT infrastructure as we continue to improve our remote working capabilities, renew key hardware (such as the phone system, switches, the physical servers) and enable a stable infrastructure platform from which our technological and digital capability can be built. To this end we have kept the fund at **£200,000**.
- We have created a new '**IT and Digital Transformation**' fund with **£750,000** designated for spending over a three year timescale to provide a suitable envelope for major progression of the digital and IT agenda. In particular, we will be developing our clinical systems including our primary clinical record, but we will also seek to improve our data and analytics capability, our digital maturity, and to develop other key, non-clinical systems.

Taking account of the expected usage of each fund in 2020-21 as noted above, a total of £1.0m of designated funds are expected to be spent in the period after 31 March 2022, with £0.5m projected to be spent during 2021-22. The £1.0m longer term portion is therefore treated as part of free reserves.

For good reasons we have not spent significant sums from our designated funds in the 2020-21 financial year. However, the intention going forward is that we shall start to make significant drawdown on the above fund balances as the 2021-22 financial year progresses.

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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.

#### **Going Concern**

The 2020-21 financial statements have been prepared on a going concern basis. We have recorded a good surplus in the financial year and we have a strong asset base. Our budgets for the 2021-22 financial year anticipate a deficit due to continued social distancing and other Covid-safe measures placing restrictions on our shop income and certain fundraising income streams such as events and community groups. However, our short, medium and long term cash flow forecasts all project sufficient liquid balance of funds and we have no reason to believe that there will be any threat to our going concern status.

#### **Structure, governance and management**

Governance at St Luke's is the responsibility of its Trustees who are all volunteers and 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. In August 2020, Lisa Nos who had been with St Luke's for 10 years, most recently in the role of Director of People, Culture and Performance, left St Luke's to pursue other opportunities. We thank Lisa for her dedication and hard work in serving the charity and wish her well in her future endeavours. We welcome Helen Day who joined as Director of People and Culture shortly after the 2020-21 financial year end. Helen has worked at St Luke's for a number of years, most recently as Executive Lead for HR, Volunteering, Learning and Development, and we are delighted that she has joined the Executive team.

From 1 June 2021 the Executive Team comprised 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 Director of People and Culture.

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.

#### **St Luke's Executive Team**

St Luke's Board of Trustees 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.



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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, Registered Manager, 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 2021 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 Committee
Kathryn Burkitt	Director of Income, Media and Marketing	12 years	BA (Hons), MInstF	St Luke's 50 <sup>th</sup> Planning Committee
Jo Lenton	Director of Care and Lead for Healthcare Partnerships	12 years	Registered Nurse, BA (Hons) Supportive & Palliative Care	St Luke's Healthcare Governance Committee
Tony Saunders	Director of Finance and Chief Operating Officer	11 years	BA (Hons) FCA – Fellow of The Institute of Chartered Accountants in England & Wales	St Luke's Resource and Finance Committee, and Audit and Risk Committee
Sam Kyeremateng (1)	Medical Director and Clinical Lead for Programme Development	8 years	MBChB, MRCP, Dip, PallMed	St Luke's Research Committee
Helen Day	Director of People and Culture (from 1 June 2021, previously Executive Lead for HR, Volunteering and L&D)	5 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 to retain 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 healthcare sector. 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, considers risk appetite, and monitors the status of internal controls (including 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 income generation, investment strategy, financial reporting, budgeting and financial planning, employee and volunteering matters and policies, marketing and public relations matters and oversight of St Luke's estate and facilities.

**Nominations and Remuneration Committee**

The Nominations and Remuneration Committee is responsible for specific governance issues delegated to it by the Board, with particular emphasis on:

- Ensuring that St Luke's governance structures are 'fit and proper,' are effective in their roles, and act within delegated authority levels.
- 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.
- 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's remit is 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.

**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.

## **ST LUKE'S HOSPICE**

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

**YEAR ENDED 31 MARCH 2021**

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#### **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. St Luke's first opened its doors on 1 October 1971.

##### **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 objective:

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)

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##### Executive Team at 31 March 2021

Peter Hartland

Chief Executive & Company Secretary

Kathryn Burkitt

Director of Income, Media and Marketing

Jo Lenton

Director of Care and Lead for Healthcare Partnerships

Dr Sam Kyeremateng

Medical Director and Clinical Lead for Programme Development

Tony Saunders

Director of Finance and Chief Operating Officer

Helen Day (appointed 1 June 2021)

Director of People and Culture

**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 (until 15 December 2020)

Alex Pettifer MBE

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**Board of Trustees**

Neil MacDonald

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

Professor Robert Coleman (resigned 15 December 2020)

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

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

Louise Edwards-Holland

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

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

Member of the Resource and Finance Committee

Amy Stanbridge

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; member of the Nominations and Remuneration Committee

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 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 [www.stlukeshospice.org.uk](http://www.stlukeshospice.org.uk).

**The President's Award**

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

**The Queen's Award for Voluntary Service**

St Luke's Volunteers are proud to be the recipient of The Queen's Award for Voluntary Service, presented for HM The Queen by HM Lord-Lieutenant of South Yorkshire in 2019.

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**YEAR ENDED 31 MARCH 2021**

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**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**

Knights plc (formally Keebles LLP)  
Commercial House  
14 Commercial Street  
Sheffield S1 2AT

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

Irwin Mitchell  
Riverside East House  
2 Millsands  
Sheffield S3 8DT

**Trustees' Responsibilities statement**

The Trustees (who are the statutory 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. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods of principles in the Charities SORP 2019 (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



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

**YEAR ENDED 31 MARCH 2021**

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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.

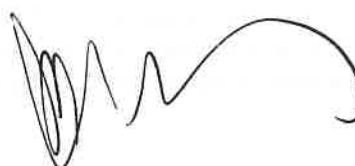
This report is presented on behalf of the St Luke's Board of Trustees.

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

On behalf of the Board on 2 September 2021.



**Neil MacDonald**  
Chair of the Board of Trustees



**Andrew Snelling**  
Honorary Treasurer

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST LUKE'S HOSPICE**

**YEAR ENDED 31 MARCH 2021**

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**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 2021 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 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Other information**

The other information comprises the information included in the Trustees' annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. 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 MEMBERS OF ST LUKE'S HOSPICE**

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

We have nothing to report in this regard.

**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 the 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 parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST LUKE'S HOSPICE**

**YEAR ENDED 31 MARCH 2021**

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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 as auditors 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.

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group through discussions with directors and other management, and from our commercial knowledge and experiences of the charity's sector;
- we focussed on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group, including the Charities Act 2011, Companies Act 2006, taxation legislation and data protection, employment and health and safety legislation (including CQC documentation);
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence throughout;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risks of fraud through management bias and override controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1(s) were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

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

YEAR ENDED 31 MARCH 2021

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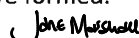
- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims..

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 (Sep 14, 2021 15:29 GMT+1)

Jane Marshall (Senior Statutory Auditor)

For and on behalf of BHP LLP, Statutory Auditor

2 Rutland Park  
Sheffield  
S10 2PD  
Date: Sep 14, 2021

# ST LUKE'S HOSPICE

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account) YEAR ENDED 31 MARCH 2021

	Note	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Restated Unrestricted funds 2020 £	Designated funds 2020 £	Restricted funds 2020 £	Restated Total funds 2020 £
<b>Income from:</b>									
Donations and legacies		3,828,103	-	30,687	3,858,790	2,540,489	-	101,275	2,641,764
Voluntary income (capital appeal)									
Other trading activities:									
Special events and sundry sales									
Charity shops		204,047	-	-	204,047	606,738	-	-	606,738
Lottery income		633,222	-	-	633,222	2,793,228	-	-	2,793,228
Education and research		806,598	-	-	806,598	860,295	-	-	860,295
Other income		246,439	-	-	246,439	195,581	-	-	195,581
CIRS scheme		190,813	-	-	190,813	251,140	-	-	251,140
Investment income	2	596,215	-	-	596,215	-	-	-	-
		27,271	-	-	27,271	95,804	-	-	95,804
<b>Charitable activities</b>									
CCG Contract		2,773,484	-	-	2,773,484	2,555,838	-	-	2,555,838
Subsidy of medicine & drugs costs		82,852	-	-	82,852	101,372	-	-	101,372
COVID-19 grants									
NHS England contractual funding		-	-	2,708,683	2,708,683	-	-	-	-
Other Covid-19 funding		231,482	-	-	231,482	260,000	-	-	260,000
Other funding		216,686	-	-	216,686	-	-	-	-
Other grant		-	-	187,747	187,747	-	-	173,198	173,198
		9,837,212	-	2,927,117	12,764,329	10,260,485	-	274,473	10,534,958
<b>Expenditure on:</b>									
<b>Raising funds</b>									
Legacies and donations	3	311,772	-	-	311,772	368,635	1,376	-	370,011
Special events and sundry sales	3	218,499	-	-	218,499	284,184	20,500	-	304,684
Charity shops	3	1,633,949	-	-	1,633,949	1,737,057	60,738	-	1,797,795
Lottery prizes & expenses	3	290,057	-	-	290,057	405,789	1,032	-	406,821
Investment management fees	3	6,384	-	-	6,384	11,737	-	-	11,737

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(Including Income and Expenditure Account)**  
**YEAR ENDED 31 MARCH 2021**

	Note	Unrestricted funds 2021	Designated funds 2021	Restricted funds 2021	Total funds 2021	Restated Unrestricted funds 2020	Designated funds 2020	Restricted funds 2020	Restated Total funds 2020
		£	£	£	£	£	£	£	£
<b>Expenditure on:</b>									
<i>Charitable activities</i>									
Inpatient care	3	2,427,582	16,012	1,921,718	4,365,312	4,003,538	20,687	140,563	4,164,788
Medicine & drugs costs	3	82,852	-	-	82,852	101,372	-	-	101,372
Early support for terminal illness	3	156,709	-	-	156,709	315,288	7,293	-	322,581
Integrated community care services	3	1,399,778	7,534	995,399	2,402,711	2,084,840	11,501	110,400	2,206,741
Education and research	3	306,725	-	-	306,725	278,732	1,413	-	280,145
<b>Total expenditure</b>		<b>6,834,307</b>	<b>23,546</b>	<b>2,917,117</b>	<b>9,774,970</b>	<b>9,591,172</b>	<b>124,540</b>	<b>250,963</b>	<b>9,966,675</b>
<b>Net income / (expenditure)</b>	6	<b>3,002,905</b>	<b>(23,546)</b>	<b>10,000</b>	<b>2,989,359</b>	<b>669,313</b>	<b>(124,540)</b>	<b>23,510</b>	<b>568,283</b>
<b>Gains/(losses) on investments</b>									
Realised		60,359	-	-	60,359	(38,275)	-	-	(38,275)
Unrealised	8	107,446	-	-	107,446	(192,633)	-	-	(192,633)
		167,805	-	-	167,805	(230,908)	-	-	(230,908)
<b>Net income/(expenditure)</b>		<b>3,170,710</b>	<b>(23,546)</b>	<b>10,000</b>	<b>3,157,164</b>	<b>438,405</b>	<b>(124,540)</b>	<b>23,510</b>	<b>337,375</b>
Transfer between funds	16/17	(163,546)	173,546	(10,000)	-	(126,030)	149,540	(23,510)	-
<b>Other recognised losses</b>									
Gains/(losses) on revaluation of fixed assets	7	(603,843)	-	-	(603,843)	(127,831)	-	-	(127,831)
<b>Net movement in funds</b>		<b>2,403,321</b>	<b>150,000</b>	<b>-</b>	<b>2,553,321</b>	<b>184,544</b>	<b>25,000</b>	<b>-</b>	<b>209,544</b>
Funds balance at 1 April 2020		7,605,365	1,350,000	-	8,955,365	7,420,821	1,325,000	-	8,745,821
<b>Funds balance at 31 March 2021</b>	16/17	<b>10,008,686</b>	<b>1,500,000</b>	<b>-</b>	<b>11,508,686</b>	<b>7,605,365</b>	<b>1,350,000</b>	<b>-</b>	<b>8,955,365</b>

# ST LUKE'S HOSPICE

## BALANCE SHEETS

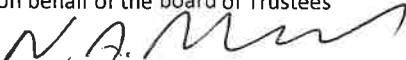
AS AT 31 MARCH 2021

	Note	GROUP		CHARITY	
		2021 £	2020 £	2021 £	2020 £
<b>Fixed assets</b>					
Tangible assets	7	6,728,023	7,461,557	6,728,023	7,461,557
Investments	8	2,590,952	523,146	2,591,026	523,220
		<u>9,318,975</u>	<u>7,984,703</u>	<u>9,319,049</u>	<u>7,984,777</u>
<b>Current assets</b>					
Stock – goods for resale		152,140	73,384	152,140	73,384
Debtors	9	2,216,924	1,821,262	2,264,127	1,851,640
Investments	10	-	500,000	-	500,000
Cash at bank and in hand	11	2,734,663	928,058	2,665,946	895,032
		<u>5,103,727</u>	<u>3,322,704</u>	<u>5,082,213</u>	<u>3,320,056</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(2,815,208)</u>	<u>(2,007,941)</u>	<u>(2,801,125)</u>	<u>(2,007,945)</u>
<b>Net current assets</b>		<u>2,288,519</u>	<u>1,314,763</u>	<u>2,281,088</u>	<u>1,312,111</u>
<b>Total assets less current liabilities</b>		<u>11,607,494</u>	<u>9,299,466</u>	<u>11,600,137</u>	<u>9,296,888</u>
Creditors: amounts falling due after more than one year	13	(98,808)	(344,101)	(98,808)	(344,101)
<b>Net assets</b>	20	<u>11,508,686</u>	<u>8,955,365</u>	<u>11,501,329</u>	<u>8,952,787</u>
<b>Charity Funds</b>					
General funds	16	10,008,686	7,605,365	10,001,329	7,602,787
Designated funds	16	1,500,000	1,350,000	1,500,000	1,350,000
Total unrestricted funds - Including investments revaluation reserve (£124,959 (2020: £nil))	16	<u>11,508,686</u>	<u>8,955,365</u>	<u>11,501,329</u>	<u>8,952,787</u>
Restricted	17	-	-	-	-
<b>Total Charity funds</b>		<u>11,508,686</u>	<u>8,955,365</u>	<u>11,501,329</u>	<u>8,952,787</u>

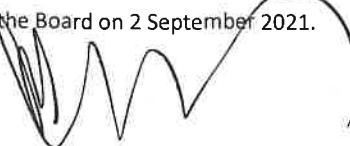
The charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in the financial statements. The surplus of the charity is £2,545,894 (2020: £206,896).

The financial statements were approved and authorised for issue by the Board on 2 September 2021.

Signed on behalf of the board of Trustees



N MacDonal  
Chair of the Board of Trustees



A E Snelling  
Honorary Treasurer

The notes on pages 28 to 52 form part of these financial statements.  
Company registration number: 00922448



**ST LUKE'S HOSPICE**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED 31 MARCH 2021**

		<b>2021</b>		<b>2020</b>	
	<b>Note</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities:</b>					
<b>Net cash flow provided by operating activities</b>	<b>18</b>		<b>3,180,933</b>		<b>147,562</b>
<b>Cash flows from Investing activities</b>					
Interest received	<b>2</b>	<b>1,511</b>		<b>2,541</b>	
Dividends received	<b>2</b>	<b>25,760</b>		<b>93,263</b>	
Purchase of tangible fixed assets	<b>7</b>	<b>(199,602)</b>		<b>(255,480)</b>	
Proceeds from sale of fixed assets		<b>198,004</b>		<b>209</b>	
Purchase of investments	<b>8</b>	<b>(1,085,529)</b>		<b>(1,611,991)</b>	
Proceeds from sale of investments		<b>713,918</b>		<b>1,966,039</b>	
<b>Net cash flow from investing activities</b>					<b>194,581</b>
			<b>(345,938)</b>		
<b>Increase in cash and cash equivalents in the year</b>			<b>2,834,995</b>		<b>342,143</b>
Cash and cash equivalents as at 1 April 2020	<b>19</b>		<b>950,224</b>		<b>608,081</b>
<b>Cash and cash equivalents as at 31 March 2021</b>	<b>19</b>		<b>3,785,219</b>		<b>950,224</b>

**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 United Kingdom and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and United Kingdom 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**

The 2020-21 financial statements have been prepared on a going concern basis. We have recorded a good surplus in the financial year and we have a strong asset base. Our budgets for the 2021-22 financial year anticipate a deficit due to continued social distancing and other Covid-safe measures placing restrictions on our shop income and certain fundraising income streams such as events and community groups. However, our short, medium and long term cash flow forecasts all project sufficient liquid balance of funds and we have no reason to believe that there will be any threat to our going concern status.

**(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.

The charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in the financial statements. The surplus of the charity is £2,545,894 (2020: £206,896).

**(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.

**(viii) Government grants**

Grants received in relation to the government's Coronavirus Job Retention Scheme have been recognised within other operating income. The grant is accounted for on the accruals basis once the related payroll has been submitted.

**(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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

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**(i) Fixed assets and depreciation – continued**

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.

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).

**(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) Restatement**

The income and expenditure for the comparative year has been restated to align with the current year disclosure. This restatement is presentational and does not affect the results in either year.

**(s) 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.

**i. Useful economic lives of tangible assets**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually.

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## ii. Dilapidations Provision

The provision for dilapidations reflects anticipated future expenditure on the repair of leased premises based on current assessments of the condition and the necessary repairs requirement in the short term. The charity has lease obligations for shop properties.

## iii. Support cost allocations

Allocation of support costs is estimated based on resources used as detailed in the expenditure – operational costs noted above.

## iv. Donated stock

Donated stock is valued based on post year end sales, stock turnover and RAG rates.

## 2. Income from investments

	2021 £	2020 £
Dividends and interest	25,760	93,263
Bank interest	1,511	2,541
	<u>27,271</u>	<u>95,804</u>

Income from investments in both years is unrestricted.

## 3. Analysis of expenditure

	Direct costs £	Support costs £	Total 2021 £	Total 2020 £
<b>Raising funds</b>				
Legacies and donations	212,910	98,862	311,772	370,011
Special events and sundry sales	156,428	62,071	218,499	304,684
Charity shops	1,563,054	70,895	1,633,949	1,797,795
Lottery prizes and expenses	246,608	43,449	290,057	406,821
Investment management costs	4,655	1,729	6,384	11,737
	<u>2,183,655</u>	<u>277,006</u>	<u>2,460,661</u>	<u>2,891,048</u>
<b>Charitable activities</b>				
Inpatient care	3,713,140	652,172	4,365,312	4,164,788
Medicine and drugs	82,852	-	82,852	101,372
Early support for terminal illness	156,709	-	156,709	322,581
Integrated community care services	2,013,776	388,935	2,402,711	2,206,741
Education and training	239,930	66,795	306,725	280,145
	<u>6,206,407</u>	<u>1,107,902</u>	<u>7,314,309</u>	<u>7,075,627</u>
<b>Total</b>	<u>8,390,062</u>	<u>1,384,908</u>	<u>9,774,970</u>	<u>9,966,675</u>
<b>2020 Total</b>	<u>8,669,665</u>	<u>1,297,010</u>	<u>9,966,675</u>	

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

**3. Analysis of expenditure - continued**

Included within support costs are governance costs of £100,741 (2020: £101,782) which are detailed note 4.

Support costs totalling £1,384,908 (2020: £1,297,010) 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 2021 £	Total 2020 £
Strategic management	84,219	-	84,219	88,016
Legal, professional and support costs	16,522	-	16,522	13,766
	<u>100,741</u>	<u>-</u>	<u>100,741</u>	<u>101,782</u>
<b>2020 Total</b>	<u>101,782</u>	<u>-</u>	<u>101,782</u>	

**5. Employment costs**

	2021 £	2020 £
<b>Staff costs</b>		
Wages and salaries	5,707,213	5,548,301
Social security costs	484,853	469,044
Pension costs	304,849	313,832
	<u>6,496,915</u>	<u>6,331,177</u>

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

	Number of employees	
	2021	2020
£90,000 -£100,000	1	1
£80,000-£90,000	0	0
£70,000-£80,000	2	1
£60,000-£70,000	0	1

During the year pension contributions on behalf of these employees amounted to £69,929 (2020: £69,135)

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 £443,890 (2020: £461,096).

Total redundancy payments amounted to £211,566 (2020: £44,751) and are included in wages and salary costs.

Please refer to page 15 of the Trustees' Report for details on how executive pay is set.



## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 5. Employment costs – continued

	Head count - Average Number of employees	
	2021	2020
Ancillary	38	41
Medical and nursing	74	75
Allied Health Professional	26	27
Professional and technical	28	31
Fundraising	11	13
Administration	17	17
Shops	44	45
	<b>238</b>	<b>249</b>

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 2020-21, is £93,374 (2019-20: £947,023). This amount is not reflected in the Statement of Financial Activities.

## 6. Net income / (expenditure) for the year

Net income / (expenditure) is stated after charging:

	2021 £	2020 £
Auditor's remuneration:		
Audit	14,800	15,500
Other Services	1,200	1,200
Hire of other assets – operating leases	238,538	243,851
Loss on disposal of fixed assets	3,000	358
Impairment on revaluation of fixed assets	603,843	127,831
Depreciation	134,289	142,570

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

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 £	Shops £				
<b>Cost/valuation</b>									
At beginning of year	1,945,000	3,500,000	1,330,000	110,000	527,138			1,165,311	8,577,449
Additions	2,110	-	146,733	-	-			50,759	199,602
Disposals	(195,000)	-	-	-	(15,489)			(4)	(210,493)
Transfers	-	-	-	-	-			-	-
Impairment	(2,110)	(350,000)	(296,733)	45,000	-			-	(603,843)
<b>At end of year</b>	<b>1,750,000</b>	<b>3,150,000</b>	<b>1,180,000</b>	<b>155,000</b>	<b>511,649</b>			<b>1,216,066</b>	<b>7,962,715</b>
<b>Depreciation</b>									
At beginning of year	-	-	-	-	317,979			797,913	1,115,892
Charge for the year	-	-	-	-	39,898			94,391	134,289
Disposals	-	-	-	-	(15,489)			-	(15,489)
Impairment	-	-	-	-	-			-	-
<b>At end of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>342,388</b>			<b>892,304</b>	<b>1,234,692</b>
<b>Net book value</b>									
<b>At 31 March 2021</b>	<b>1,750,000</b>	<b>3,150,000</b>	<b>1,180,000</b>	<b>155,000</b>	<b>169,261</b>			<b>323,762</b>	<b>6,728,023</b>
At 31 March 2020	1,945,000	3,500,000	1,330,000	110,000	209,159			367,398	7,461,557

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.

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 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:

	2021		2020	
	Freehold property	Long leasehold property	Freehold property	Long leasehold property
	£	£	£	£
Cost	16,264,383	157,483	16,126,393	157,483
Accumulated impairment losses	(7,269,818)	51,862	(6,436,828)	6,862
Accumulated depreciation	(2,914,565)	(54,345)	(2,914,565)	(54,345)
<b>Net book value</b>	<b>6,080,000</b>	<b>155,000</b>	<b>6,775,000</b>	<b>110,000</b>

Freehold land and buildings were subject to independent, professional valuation as at March 2021. The valuation was undertaken by Lambert Smith Hampton. The valuations have been performed on an open market basis.

## 8. Fixed asset investments

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
<b>Listed Investments:</b>				
Market value at beginning of year	1,000,970	1,585,935	1,000,970	1,585,935
Additions	1,085,529	1,611,991	1,085,529	1,611,991
Disposals	(653,559)	(2,004,323)	(653,559)	(2,004,323)
Net investment gains / (losses)	107,446	(192,633)	107,446	(192,633)
Market value at end of year	1,540,386	1,000,970	1,540,386	1,000,970
Investment cash	1,050,556	22,166	1,050,556	22,166
Market value at end of year	2,590,942	1,023,136	2,590,942	1,023,136
<b>Unlisted investments</b>	<b>10</b>	<b>10</b>	<b>84</b>	<b>84</b>
	<b>2,590,952</b>	<b>1,023,146</b>	<b>2,591,026</b>	<b>1,023,220</b>
Historical cost of listed investments	1,415,427	1,118,226	1,415,427	1,118,226
Transfer to current asset investment	-	(500,000)	-	(500,000)
<b>Fixed asset investments</b>	<b>2,590,952</b>	<b>523,146</b>	<b>2,591,026</b>	<b>523,220</b>

The historic cost of listed investments of £1,415,427 (2020: £1,118,226) relates to the carrying value of investments of £2,590,952 (2020: £523,146) in fixed asset investments and £nil (2020: £500,000) in current asset investments.

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 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
<b>Subsidiary undertaking</b>				
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	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	265,571	84,878	258,671	82,013
Income tax recoverable	172,431	107,288	172,431	107,288
Prepayments and accrued income	1,386,608	1,422,745	1,386,608	1,422,745
Other debtors	392,314	206,351	395,131	206,351
Amounts owed by group undertakings	-	-	51,286	33,243
	<u>2,216,924</u>	<u>1,821,262</u>	<u>2,264,127</u>	<u>1,851,640</u>

## 10. Current asset investments

	2021	2020
	£	£
<b>Group and Charity</b>		
Listed investments	<u>-</u>	<u>500,000</u>

## 11. Cash and Bank

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Cash at bank	2,730,200	923,937	2,661,483	890,911
Cash in hand	<u>4,463</u>	<u>4,121</u>	<u>4,463</u>	<u>4,121</u>
	<u>2,734,663</u>	<u>928,058</u>	<u>2,665,946</u>	<u>895,032</u>

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 12. Creditors: amounts falling due within one year

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Trade creditors	645,624	319,575	645,624	319,575
Other creditors	145,012	447,607	145,012	447,607
Taxation and social security	109,777	130,727	109,777	130,727
Accruals and deferred income (note 14)	1,914,795	1,110,032	1,900,712	1,110,032
Amounts owed to group undertakings	-	-	-	4
	<u>2,815,208</u>	<u>2,007,941</u>	<u>2,801,125</u>	<u>2,007,945</u>

## 13. Creditors: amounts falling due after more than one year

	2021 £	2020 £
<b>Group and Charity</b>		
Other creditors	<u>98,808</u>	<u>344,101</u>

## 14. Deferred income

	£
<b>Group and Charity</b>	
Balance at 1 April 2020	433,542
Amount released to SoFA	
Amounts utilised in the year	(255,852)
Amount deferred in the year	675,538
Balance at 31 March 2021	<u>853,228</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:

	2021 Land and buildings £	2021 Plant £	2020 Land and buildings £	2020 Plant £
Within one year	238,166	5,626	221,608	5,576
Two to five years	406,516	1,805	429,541	4,182
Over five years	39,834	-	87,534	-
	<u>684,516</u>	<u>7,431</u>	<u>738,682</u>	<u>9,758</u>

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 16. Summary of movement in funds

	Unrestricted fund £	Designated fund £	Restricted fund £	Total £
Fund balance at 1 April 2020	7,605,365	1,350,000	-	8,955,365
Income	9,837,212	-	2,927,117	12,764,329
Expenditure	(6,834,307)	(23,546)	(2,917,117)	(9,774,970)
Investment gains	167,805	-	-	167,805
Transfers	(163,546)	173,546	(10,000)	-
Revaluation on fixed assets	(603,843)	-	-	(603,843)
<b>Fund balance at 31 March 2021</b>	<b>10,008,686</b>	<b>1,500,000</b>	<b>-</b>	<b>11,508,686</b>

	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)
<b>Fund balance at 31 March 2020</b>	<b>7,605,365</b>	<b>1,350,000</b>	<b>-</b>	<b>8,955,365</b>

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 16. Analysis of movement in unrestricted funds (continued)

Group	General Fund	Research and Education	Strategic Initiative	IT Infrastructure	IT and Digital Transformation	Recovery Covid-19	Total 2021
	£	£	£	£	£	£	£
Fund balance at 1 April 2020	7,605,365	125,000	400,000	200,000	-	625,000	8,955,365
Income	9,837,212	-	-	-	-	-	9,837,212
Expenditure	(6,834,307)	(23,546)	-	-	-	-	(6,857,853)
Revaluation on fixed assets	(603,843)	-	-	-	-	-	(603,843)
Other recognised gains	167,805	-	-	-	-	-	167,805
Transfer to unrestricted funds	625,000	-	-	-	-	(625,000)	-
Transfers to designated funds	(798,546)	48,546	-	-	750,000	-	-
Transfers from restricted funds	10,000	-	-	-	-	-	10,000
<b>Fund balance at 31 March 2021</b>	<b>10,008,686</b>	<b>150,000</b>	<b>400,000</b>	<b>200,000</b>	<b>750,000</b>	<b>-</b>	<b>11,508,686</b>

## Charity

	General Fund	Research and Education	Strategic Initiative	IT Infrastructure	IT and Digital Transformation	Recovery Covid-19	Total 2021
	£	£	£	£	£	£	£
Fund balance at 1 April 2020	7,602,787	125,000	400,000	200,000	-	625,000	8,952,787
Income	9,797,894	-	-	-	-	-	9,797,894
Expenditure	(6,802,416)	(23,546)	-	-	-	-	(6,825,962)
Devaluation on fixed assets	(603,843)	-	-	-	-	-	(603,843)
Investment losses	167,805	-	-	-	-	-	167,805
Transfers to unrestricted funds	625,000	-	-	-	-	(625,000)	-
Transfers to designated funds	(798,546)	48,546	-	-	750,000	-	-
Transfer from restricted funds	10,000	-	-	-	-	-	10,000
Gift aid from subsidiary company	2,648	-	-	-	-	-	2,648
<b>Fund balance at 31 March 2021</b>	<b>10,001,329</b>	<b>150,000</b>	<b>400,000</b>	<b>200,000</b>	<b>750,000</b>	<b>-</b>	<b>11,501,329</b>

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 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 <sup>th</sup> 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 gains	(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
<b>Fund balance at 31 March 2020</b>	<b>7,605,365</b>	<b>125,000</b>	<b>400,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>200,000</b>	<b>-</b>	<b>-</b>	<b>625,000</b>	<b>8,955,365</b>

Charity	General Fund	Research and Education	Strategic Development	Commercial	Clifford House	Digital Transformation	IT Infrastructure	Community Engagement	50 <sup>th</sup> 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 gains	(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
<b>Fund balance at 31 March 2020</b>	<b>7,602,787</b>	<b>125,000</b>	<b>400,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>200,000</b>	<b>-</b>	<b>-</b>	<b>625,000</b>	<b>8,952,787</b>



**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.

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 **Strategic Initiative** fund amalgamated the Commercial, Clifford House, Community Engagement and 50th Initiative funds and we plan to take forward initiatives in all these areas in the coming months and years.

The **IT Infrastructure** fund is held to support the ongoing update of IT infrastructure as we continue to improve our remote working capabilities, renew key hardware (such as the phone system, switches, the physical servers) and enable a stable infrastructure platform from which our technological and digital capability can be built.

The **IT and Digital Transformation** fund is held for use over the next three years to unify and streamline our clinical systems, to improve analytics and use of data, to advance maturity and to further develop out non-clinical systems.

Considering the financial situation in 2020-21, the **Covid-19 Recovery** fund has not been utilised in-year, having been established to support the ongoing journey out of the pandemic. Likewise, strategic and infrastructure projects were broadly put on hold during the pandemic hence these balances have not been used.

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

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 17. Analysis of movement in restricted funds

Group and Charity	NHSE funding £	Support a Nurse £	HEYH Deanery funding £	Other £	Total 2020 £
Fund balance at 1 April 2020	-	-	-	-	-
Income	2,708,683	8,187	187,747	22,500	2,927,117
Expenditure	(2,708,683)	(8,187)	(187,747)	(12,500)	(2,917,117)
Transfers	-	-	-	(10,000)	(10,000)
<b>Fund balance at 31 March 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Group and Charity	Capital Appeal £	Support a Nurse £	HEYH Deanery funding £	Other £	Total 2019 £
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)
<b>Fund balance at 31 March 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NHSE Funding**

The NHSE awarded funding to allow St Luke's to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the Covid-19 situation, and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose.

**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 2020-21.

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 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 2021 £
Funding for capital assets	10,000
Funding for revenue expenditure	12,500
	<u>22,500</u>

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

	2021 £	2020 £
Net income for the year	2,989,359	568,283
Return on investments	(27,271)	(95,804)
Depreciation charge	134,289	142,570
(Profit)/loss on disposal of fixed assets	(3,000)	362
(Increase)/decrease in stocks	(78,756)	4,218
(Increase)/decrease in debtors	(395,662)	68,016
Increase/(decrease) in creditors	561,974	(540,083)
Net cash flow provided by operating activities	<u>3,180,933</u>	<u>147,562</u>

## 19. Analysis of cash and cash equivalents

	At beginning of year £	Cashflow £	At end of year £
Cash at bank and in hand	928,058	1,806,605	2,734,663
Cash held as investments	22,166	1,028,390	1,050,556
	<u>950,224</u>	<u>2,834,995</u>	<u>3,785,219</u>

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 20. Analysis of assets between funds

2021	Unrestricted funds £	Designated funds £	Total 2021 £
Tangible fixed assets	6,728,023	-	6,728,023
Investments	2,590,952	-	2,590,952
Current assets	3,603,727	1,500,000	5,103,727
Creditors: amounts falling within one year	(2,815,208)	-	(2,815,208)
Creditors: amounts falling due in greater than one year	(98,808)	-	(98,808)
	<u>10,008,686</u>	<u>1,500,000</u>	<u>11,508,686</u>

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>

## 21. Related party transactions

No remuneration has been paid to any Trustee (2020: £nil). Expenses totalling £nil (2020: £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 (2020: £nil).

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 £588 (2020: £713).

Irwin Mitchell, of which Laurence Gavin (trustee) was a partner until August 2020, has provided legal advice totalling £nil (2020: £6,000) to St Luke's during the year. Benchmark Recruit Limited, of which Louisa Harrison-Walker (trustee) is a director, has invoiced recruitment fees totalling £nil (2020: £4,500) to St Luke's in the year.

During the year the charity has incurred room hire costs of £1,200 from Sheffield International Venues Limited. A trustee of the charity is also a director of Sheffield International Venues Limited. At the year end, no amounts were outstanding (2020: £nil).

During the year, a gift aid distribution totalling £2,648 (2020: £9,229) was received from St Luke's Options Limited. St Luke's Options Limited is 100% subsidiary of the charity. At the year end £51,286 was owed to the charity and was included in other debtors (2020: £33,243).

**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 2020-21 was £42,445 (£40,432 for 2019-20). £3,635 was outstanding at the year end (2020: £3,298). In addition, employees who are members of the Scheme paid salary dependent variable contributions in the range 7.1% to 13.5%.

The scheme is subject to an accounting valuation each year at the balance sheet date by the Scheme Actuary. The statement at 31 March 2020 is based on an assessment of the liabilities as at 31 March 2019, with an approximate updating to 31 March 2020 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](http://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 £235,402 (2020: £251,173). £20,962 was outstanding at the year-end (2020: £20,587).

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED 31 MARCH 2021

## 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 £27,002 (2020: £22,227). £2,055 was outstanding at the year-end (2020: £nil).

## 23. St Luke's Options Limited

## Profit and loss account

## For the year ended 31 March 2021

	2021	2020
	£	£
Turnover	39,317	78,512
Cost of sales	(533)	(18,590)
Gross profit	38,784	59,922
Administrative expenses	(31,357)	(57,274)
Retained profit for the year	7,427	2,648

Net assets at the year end were £7,429 (2020: £2,650). 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 2021

	2021	2020
	£	£
Income	12,725,012	10,456,446
Expenditure	(9,743,080)	(9,890,811)
Net Income	2,981,932	565,635
Other recognised gains	167,805	(230,908)
Net income	3,149,737	334,727
Impairment of fixed assets	(603,843)	(127,831)
Net movement in funds	2,545,894	206,896
Total funds brought forward	8,952,787	8,736,662
Gift aid from subsidiary company	2,648	9,229
Surplus for the financial year	2,545,894	206,896
Total funds carried forward	11,501,329	8,952,787
Represented by:		
Unrestricted funds	11,501,329	8,952,787
Restricted funds	-	-
	11,501,329	8,952,787

# St Lukes Hospice - Full accounts 31 March 2021

Final Audit Report

2021-09-14

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