ST LUKE'S HOSPICE

England & Wales · Charity number 254402

Details

Status	Registered
Legal form	Charitable company
Company number	00922448
Registered	1967-11-24
Register	View on the Charity Commission register

Contact

Address	St. Lukes Hospice Little Common Lane Sheffield S11 9NE
Phone	01142369911
Email	info@hospicesheffield.co.uk
Website	www.stlukeshospice.org.uk

Activities

Objects: THE COMPANY'S OBJECTS ARE TO RELIEVE SICKNESS AND ASSIST IN THE TREATMENT AND CARE OF PERSONS SUFFERING FROM MENTAL OR PHYSICAL ILLNESS OF ANY DESCRIPTION AND IN PARTICULAR:- A) 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 REASONS OF THEIR SICKNESS THEY REQUIRE; B) BY CONDUCTING, EXPLORING OR ENCOURAGING RESEARCH AND THE EVALUATION OF IMPROVEMENTS IN THE CARE OF THE TERMINALLY ILL PERSON AND THAT PERSON'S CARERS AND RELATIVES AND TO DISSEMINATE THE USEFUL RESULTS OF SUCH RESEARCH; C) BY PROVIDING PALLIATIVE CARE IN THE COMMUNITY AND BY PROVIDING SUPPORT FOR THE CARERS AND RELATIVES OF TERMINALLY ILL PERSONS.

Activities: St Luke's exists to give free, expert care to local people aged 18 and over who have active, progressive and advanced life-threatening illness - with extended support to families and carers.

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Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives
- **Who:** Elderly/old People, Other Defined Groups, The General Public/mankind

Geography

- **Area of benefit:** NATIONAL
- Sheffield City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£14,548,749	£15,599,168	£14,896,399	296
2024-03-31	£13,224,141	£13,869,798	£15,915,119	284
2023-03-31	£11,537,415	£12,386,066	£13,861,202	253
2022-03-31	£13,694,575	£10,093,499	£15,128,559	240
2021-03-31	£12,764,329	£9,774,970	£11,508,686	238

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Trustees

Name	Role	Appointed
Adrian Belton	Chair	2023-03-20
Amy Louise Stanbridge		2019-05-22
Angus James Anderson Ridge		2021-09-28
Dr Lucy Cormack		2019-05-22
Dr Mark Durling		2021-09-28
Dr Suvira Madan		2022-06-27
Julia Delaney		2025-12-09
Louisa Harrison-Walker		2019-05-22
Louise Edwards-Holland		2019-05-22
Martin James Claude McKervey		2019-05-22
Nicola James		2022-12-12
Professor Jon Wadsley		2022-06-27
Shaun Davies		2025-12-09
Steven David Ned		2021-09-28

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ST LUKE'S HOSPICE

England & Wales - Charity number 254402

Accounts

ST LUKE'S HOSPICE
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2025

Sheffield's Hospice

Charity registration number: 254402
Company registration number: 00922448

Document ID:

ST LUKE'S HOSPICE

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2025

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ST LUKE'S HOSPICE

CHAIR'S REPORT 2024-25

YEAR ENDED 31 MARCH 2025

It is with a deep sense of responsibility and reflection that I present this year's Chair's Report for St Luke's Hospice.

This has been a year of profound change and challenge for our hospice, our sector, and the society we serve. We find ourselves navigating shifting social attitudes, increasing financial pressures, and changes within our leadership and governance. Yet, amidst this change, the hospice has remained steadfast in its mission: to provide compassionate, holistic care to those approaching the end of life, and to support families through one of life's most difficult journeys.

Responding to a Changing Legal Landscape

One of the most significant developments this year has been the national conversation around assisted dying. With legislation now closer than ever to becoming a legal reality, hospices across the UK — including ours — are engaging deeply with the ethical, clinical, and emotional implications. This is not a debate with easy answers, and views among our patients, families, staff, volunteers, and wider community are diverse.

As a hospice, we remain committed to open dialogue, compassionate care, and respecting the dignity and autonomy of those we serve. We have begun a careful process of listening and preparation, supported by clinical ethics consultations, staff forums, and engagement with national hospice networks. Our focus continues to be on providing excellent palliative care, whatever the legislative environment.

Financial Performance

This year we have ended the financial year with a large deficit. Like many in the sector, we have faced rising operational costs, ongoing pressures on NHS funding, and a challenging fundraising and retail climate. While our reserves have allowed us to continue delivering services without compromising quality, we know this is not sustainable in the long term.

In response, the Board and Executive Team have initiated a thorough review of our financial strategy, including renewed focus on income diversification, cost efficiencies, and closer collaboration with partners. These decisions are not always easy, but they are essential to ensure our long-term resilience.

A new five-year contract has been agreed with the South Yorkshire Integrated Care Board (SYICB) which gives certainty of statutory funding for the medium term. However, we remain largely funded by our supporters whose tireless fundraising, donating, shopping, and volunteering contributes over 70% of our income, well over £10m each year. This is a fantastic achievement and we are humbled each year by the level of support that we receive from the community in Sheffield that enables us to continue to provide outstanding end of life care to nearly 1,800 people each year.

Launching Our New Strategy

In the midst of uncertainty, we also saw opportunity and this year marked the formal launch of our new five-year strategy. Developed through extensive consultation with our staff, volunteers, patients, families, and partners, the strategy sets out a clear and ambitious vision for the future of our hospice.

It focuses on six core pillars of Improving our Care, Sustaining Growth, Reaching Further, Valuing our People, Championing our Cause, and Embracing New Thinking.

Alongside the new strategy we have refreshed our vision, our purpose, and our values.

Our strategy is not just a document, it is a commitment. A commitment to evolve with compassion, to lead with courage, and to stay true to our founding values while meeting the realities of today and tomorrow.

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ST LUKE'S HOSPICE

CHAIR'S REPORT 2024-25

YEAR ENDED 31 MARCH 2025

Leadership Transitions

In July, we were pleased to appoint our new Chief Executive, Jo Lenton, who brings fresh vision, deep compassion, and a wealth of leadership experience in healthcare. Jo's appointment marks a new chapter for St Luke's, and already we are seeing renewed energy and direction as we adapt to the challenges ahead. Jo has been a qualified nurse for over 30 years and has worked in palliative care for over 20 years, joining St Luke's as a community nurse in 2008 and rising through the ranks to become Chief Nurse in recent years.

Shortly after the year to which this report relates we said a fond farewell to two trustees, Diana Greenfield and Kate Platts, who stepped down from the Board. Their wisdom, commitment, and integrity have been invaluable, and we offer them our heartfelt thanks. Recruitment for new trustees is underway, with a focus on broadening the skills and perspectives on our Board in particular in regard to financial and commercial expertise.

Celebrating our 'Outstanding' CQC Rating

One of the proudest moments of the year came when we received a renewal of our Outstanding rating from the Care Quality Commission (CQC) following an inspection under the new Single Assessment Framework. The inspectors rated St Luke's as 'outstanding' in the domains of 'effective', 'responsive', and 'well-led' and good in the domains of 'safe' and 'caring'.

This recognition reflects not only the exceptional standard of care we provide but the unwavering dedication of every member of our team: clinical staff, support teams, volunteers, and leaders.

This rating affirms what we and our community have long known: that St Luke's is not only a place of care, but a place of hope, humanity, and excellence. It is a tribute to all who make our hospice what it is, and a standard we are committed to upholding every day.

Gratitude and Looking Ahead

None of our work would be possible without the extraordinary dedication of our staff, volunteers, supporters, and community. In a year marked by uncertainty, your commitment has never wavered. Whether providing care at the bedside, raising vital funds, or supporting behind the scenes, you have upheld the values that make this hospice a place of comfort, dignity, and hope.

As we look ahead to the coming year, we do so with realism but also with resolve. The hospice movement has always been shaped by change, and by our response to it. With compassion as our compass and community as our strength, I am confident we will continue to be a source of support and care for all who need us.

Thank you for walking this journey with us.

Adrian Belton
Signer ID: XYR05JWPND...

Adrian Belton
Chair of the Board of Trustees
St Luke's Hospice, Sheffield
Date: 23/09/2025 GMT

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The Trustees present their report and the audited financial statements of the charity for the year ended 31 March 2025. 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 Trustees' 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.

Our new vision statement

A world where patients and families facing terminal illness don't feel alone, and receive the care and support they need to make the most of precious time, and experience a good death.

Our new purpose

Our purpose is to give patients and their families the high-quality care they need, treating each person as a unique individual. We promise to listen to their wishes and choices, tailoring our care and support so they can make the most of every day. We work with others to champion improvements in end-of-life care, in Sheffield and beyond.

Our new values

- **Caring**
  With patients, relatives, volunteers, supporters, partners and staff.

- **Pioneering**
  Looking for new ways to help us move closer to our vision.

- **Respectful**
  Being considerate to others, always, helping us to stay inclusive and offer dignity to our patients**.**

Our new strategy 2025-2029

St Luke's has now begun delivering our Strategy 2025-2029, building on the progress of our last strategic review in 2017. While the Pandemic temporarily shifted our focus to service continuity, team safety, and survival, we successfully concluded that strategy in 2023, ensuring we were in a strong position to move forward. With demand growing due to an ageing population, increasing complexity in care, and ongoing financial pressures, we knew we needed a strategy that not only protects our core existing services but also finds ways to expand them where possible. Since summer

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2023, we have worked closely with our wider management team, Board, and key stakeholders to shape a strategy that meets the challenges ahead. The response to our new strategy has been overwhelmingly positive. Feedback from

partners such as South Yorkshire Integrated Care Board (SYICB), Healthwatch Sheffield, Public Health, and Sheffield Teaching Hospitals has confirmed that our direction aligns well with broader healthcare priorities, including the SYICB end-of-life care strategy. The clear message from our patients, families, and service users was that every service we provide is vital. That's why we have committed to continuing to deliver our full range of high-quality care, while also seeking to grow and develop these services in key areas.

Our strategic themes

- **Improving our care**
  Improving out-of-hours support to home-based patients/families
  Flexible, accessible caring models
  Expanding Patient and Family Support service

- **Reaching further**
  Encourage new ideas and solutions in all areas
  Grow our research activity on palliative and end of life care
  Support local, national and international programmes to extend EOLC knowledge/best practice to disadvantaged and under-served communities

- **Sustaining growth**
  Grow retail, fundraised and other self-generated net income to support services
  Seek uplifts in statutory funding
  Manage costs, budgets and reserves to maintain sustainable financial position

- **Valuing our people**
  Attract, engage and retain the best people for St Luke's
  Enhance belonging and wellbeing for all in the workplace
  Create an empowered, positive and progressive workplace culture

- **Championing our cause**
  Being a celebrated and well-supported Sheffield charity
  Extending understanding of St Luke's work, its impact and challenges
  Be recognised as an inclusive organisation, available to all

- **Embracing new thinking**
  Use tech, AI and data analytics to support initiatives and increase efficiency
  Embed environmentally responsible solutions throughout St Luke's
  Use our spaces to enhance healing, wellbeing, access and efficiency

Review of services

St Luke's, Sheffield's Hospice, proudly provide palliative and end of life care to nearly 1,800 people across Sheffield each year, whilst also supporting their families and carers too.

We're here for people aged 18 and over from across the Sheffield region, at all stages of life from the point of diagnosis with a terminal illness, be that end stage neurological, heart, kidney or lung conditions, cancer, HIV, and dementia.

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We also partner with, and educate/ develop other organisations, both within Sheffield and beyond, to share our support and knowledge with others, for better end of life care for all. Our care and support can begin from the point of diagnosis with a terminal illness. Whether supporting patients in their own homes where they often feel most comfortable, providing 24-hour palliative care on our In Patient Centre, or supporting someone with tailored therapies; we care for people, not just a condition.

We provide holistic, individualised care and support to each person and their families or carers.

Specialist Palliative Care Community team

88% of our patients are supported in their own home or care home by our Community team, who operate 7 days a week, 365 days a year.

Our team works with District Nurses, GPs, Allied Health Professionals (AHP's) and community-based organisations to deliver wrap around care to support patients throughout their illness, improve their quality of life, provide relief from symptoms, and support to help avoid hospital admissions.

We empower our patients to have choice about where they are looked after, the care that they access and require and guide with decision making around their preferred place of death.

Specialist Palliative Care In Patient Centre

Our In Patient Centre (IPC) provides round the clock holistic care, from a multidisciplinary team of experienced specialist doctors, nurses, and AHPs to manage patient symptoms and reduce pain. Our IPC can accommodate up to 20 patients in 14 single rooms and two three-bedded rooms.

Recent developments on the IPC have turned two single rooms in to a Family Suite; a dedicated space which provides a comfortable and supportive environment to help patients and their loved ones at a most difficult time. The design of the suite would permit its use as two single rooms again, should capacity be required.

Patient & Family Support (PAFS)

Our Patient & Family Support Service offers social prescribing, practical, wellbeing, and spiritual support for patients and their families or carers from the point of diagnosis and beyond, including bereavement support. This service operates from our Little Common Lane building, with activities not regulated by the CQC taking place at our Ecclesall Road South site. Social prescribing activities for patients, families and carers provide an essential part of our service that focuses on the non-medical interventions that add quality and purpose to those accessing our care.

Review of activity

In total, our clinical teams have helped and supported 1,752 individual patients (2023-24: 1,762), which involved 2,474 spells of care (2023-24: 2,834). These figures reflect the continued and consistent support that we provide to our patients and their families across all of our clinical services. The complexity, acuity and dependency of our patients continues to show an upward trajectory over the last year and the continued demand for our services remains high.

St Luke's care is not limited to patients who have cancer, but includes patients with neurological, respiratory and cardiovascular conditions like motor neurone disease, end stage COPD and end stage heart failure. During the past year, care of patients with a non-cancer diagnosis has remained at 33%.

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Over the past year, St Luke's has accepted 1,277 referrals into our services – it is important to note that some of our patients are referred on more than one occasion in the year. Those not accepted into our service may decline St Luke's services, may have died before their initial assessment or we may not be the most appropriate place of care for that patient and therefore decline the referral during the triage assessment. The triage process continues to play an important role in allowing us to better manage referrals in a timely manner for all aspects of our clinical services and to provide an important sign posting role to those patients and family members who may not be suitable for our services.

It is vital that St Luke's cares for the wellbeing of its staff despite the pressures faced. Complex end of life care is emotionally draining, for the patient and their loved ones but also for the caring team. At St Luke's, we invest heavily in appropriate support for staff, from clinical supervision and opportunities for reflection to dedicated 'learning days' and extensive wellbeing support. During 2024-25, we've continued to focus on a number of important areas such as mental health, menopause and men's health, creating a culture where these issues can be raised and actively supported. We've introduced staff pulse surveys to help identify areas where we're doing well and those where we can do more.

Throughout the course of 2024/2025, we have continued to engage with a number of partner organisations in Sheffield to offer the use of our facilities and to share activities and events that offer different kinds of support to our patients and their families. These included Age UK Sheffield, MNDA, Sheffield Carers Centre, The Manor Library, The Proactive Care Team, Bluebell Wood Children's Hospice, as well as local universities, colleges, schools and healthcare services, offering work experience and shared learning across multiple different care teams.

The introduction of SystmOne as an electronic patient record in September 2024 has helped to streamline the clinical documentation processes across the clinical teams at St Luke's and allows for a more joined-up integrated approach to our patient care.

During the year St Luke's provided the following services:

<u>Community team</u>

- In the past year, our teams made 6,002 visits to patients at home and in care homes across Sheffield, and 15,559 phone and video calls to them in support of their care
- St Luke's accepted 1,466 referrals to our Community service from GPs and other healthcare professionals
- In the year, St Luke's have also provided 436 specialist food packages including tailored food and drinks parcels which include both hot and cold meal options, and laundry packs to our community patients, all free of charge
- We have also provided 1,103 specialist medical nursing and allied health professional symptom control and acupuncture clinics, art therapy sessions and specialist groups such as the fatigue anxiety and breathlessness groups as part of our outpatient clinic offer to our patients

<u>In Patient Centre</u>

- The team of specialist nurses, medical and allied health professionals continue to provide 24 hour care on our In Patient Centre
- Over the last 12 months, we cared for 285 patients on our IPC
- We provided 4,898 nights of care for patients on the IPC
- On average, each patient stayed on the IPC for 17 days with 19% able to return home after specialist intervention treatment

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Project ECHO

- St Luke's is a UK Superhub for the Project ECHO system, which facilitates telementoring and collaborative learning for communities of care, covering a wide portfolio of disciplines
- In the year, St Luke's delivered 342 ECHO sessions with a collective attendance of 6,764 for healthcare professionals and practitioners

Patient and Family Support service (PAFS)

- There have been over 8,440 attendances in the past year to our Patient and Family Support service, with 1,103 sessions of clinical outpatient, clinic or day-patient support at Little Common Lane and 7,337 attendances to our Ecclesall Road South site for 'social prescribing' activities for our patients and their families
- A wide variety of activities continue to be offered which include wellbeing sessions, cookery classes, art club, chair pilates and chair yoga, bereavement and counselling, indoor curling and bowls, Gup Shup sessions, knit and knatter groups, gardening clubs and men's talking groups - to name just a few
- Our social prescribing activities are supported by staff plus 49 volunteers offering 172 hours of their time to us each week, including serving in our onsite Coach House Café at our Ecclesall Road South site
- 669 relatives were supported with bereavement and counselling therapy groups and 1:1 counselling sessions after the death of a loved one

Special focus: Moving forward, palliative counselling, workforce, family suite and transition patients

One of the top priorities from our new strategy was strengthening support for patients receiving care at home, particularly out of hours, when families can often feel alone and unsupported. We also expanded our provision to hard-to-reach and underserved communities in Sheffield, ensuring that more people can access the compassionate, expert care they need, wherever they are. We did this by taking some of our services out into communities with the aim of increasing access to such things as social prescribing activities, e.g. crafts, exercise groups. Social prescribing is another area where we are working to make a bigger impact, connecting people to the wider support they need beyond medical care.

Pre-bereavement Counselling

For the past 12 months, the Counselling and Bereavement service have been delivering a Palliative Counselling offer to relatives, carers and family members, as well as a counselling service to our patients.

There is evidence to suggest that early support with the grief process achieves better outcomes post-bereavement. This service is delivered by a small team of Counsellors and 17 Counselling Volunteers, Monday- Friday and in the past year, we have supported 193 clients with palliative and counselling support. In 2025- 2026, we will be looking to expand our service further to offer children and young people aged 5-17 counselling provision.

Workforce

Over the course of 2024-2025, workforce welfare and learning and development have remained high priorities. This can be demonstrated in how we have supported a number of staff across all the different disciplines grow with their learning and development. Some of the courses that our staff have been supported to complete have included The Institute of Leadership & Management (ILM) to our leaders across the organisation, top-up courses for some of our Nurse Associates supporting them to become Nurses, and we have supported six members of staff through their Trainee Advanced Clinical Practitioner Courses, on the In Patient Centre, in our Community team and in our Allied Health Professional teams.

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We also have a number of Community Nurses carrying out their APACS courses (Advanced Physical Assessment and Consultation Skills) to offer a wider set of assessment skills to our patients. We have supported one of our Healthcare Assistants on our IPC start the Assistant Practitioner Course, and we have a member of our Allied Health Professional team who has completed their Social Prescribing Link Worker Course.

Family Suite

We opened our Family Suite in November 2024; a dedicated space which provides a comfortable and supportive environment to help patients and their loved ones at a most difficult time. This suite offers the patient a room with a ceiling track hoist to support with care needs and has a partitioning door that opens through to the relative's side of the room which has TV sitting area, double bed, an en-suite bathroom and a kitchenette leading down to the main rooms.

The room has so far been used to support 12 patients and their families which have included some of our transition patients, some of our patients with young and larger families, as well as patients whose carers want to continue being involved in their care, and to support our enablement patients.

Transition Patients

During 2024, a feasibility study around the support of transition patients from children to adult services was completed by the Transitional Care Pathway Lead for South Yorkshire. This has highlighted areas where we can improve in our support and care of transition patients and their families across South Yorkshire and Sheffield. Our Nurse Consultant has supported eight transition patients over the age of 18, and their families, over the past year with symptom control on our IPC, and some for end- of-life care. Over the next year, our Nurse Consultant will continue to support a number of transition patients and their families across Sheffield and will work closely in conjunction with Sheffield Children's Hospital and other services working with transition patients.

We have also set up regular transition events for patients and their families once a quarter in conjunction with Bluebell Wood Children's Hospice at our Ecclesall Road South site. These provide an opportunity for patients and their families to come along and have an introduction to our adult hospice services, meet some of our team across our multiple disciplines and take part in some activities.

Care Quality Commission (CQC) oversight

St Luke's is required to register with the CQC given the nature of the services we offer to patients. Our registration is under the following regulated activity category: the treatment of disease, disorder or injury.

In April 2024, St Luke's was asked to provide data to the CQC under its new Single Assessment Framework. This was followed up in early May 2024 with a formal visit by the CQC, where they led an unannounced inspection of four out of the five Key Lines of Enquiry (KLOEs).

The CQC's report, published in November 2024, gave the following results below:

Overall rating	Outstanding
Is the service safe?	Good
Is the service effective?	Outstanding
Is the service caring?	Good
Is the service responsive?	Outstanding
Is the service well-led?	Outstanding

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The full report can be viewed at: www.cqc.org.uk/location/1-101634123

Principal Risks and Risk Appetite

Risk appetite is the level of risk St Luke's is willing to take to achieve the charity's strategic objectives. The Board looks at the appetite for risk across a number of areas including reputational, financial, regulatory, innovation, people, and governance. The Board acknowledges that St Luke's must engage with risks on a daily basis in order to carry out its charitable activities and raise funds; given the nature of the organisation we take a considered approach to the engagement of these risks.

Reputational Risks: St Luke's tolerance for risk taking is limited to those events where there is little chance of any significant repercussion for the charity which might harm the high regard within which it is held by the public, service users, and healthcare partners. Mitigation strategies are in place for any undue interest in any charitable, human resource or income generation activities.

Regulatory Risks: St Luke's operates within a highly regulated environment. We must have regard to all legal and regulatory requirements in order to minimise the risk of financial, operational and reputational damage that could threaten the charity's vital work. We have well developed systems of control that are regularly reviewed in order to ensure compliance and to minimise the incidence and scale of any unintentional breaches.

Financial Risks: St Luke's has a mature and well developed understanding of its financial situation and risks and ensures that it is appropriately skilled at both Executive and Trustee level. The maximum tolerable risk level is considered to be 'open' as resources are allocated to capitalise on opportunities, value and benefits are considered (not just cheapest price) and the possibility of financial losses are minimised through sound financial risk management. The reserves policy is regularly reviewed and underpins the charity's strategic and operational plans.

Innovation Risks: Innovation is supported and pursued where it is consistent with charitable objects and / or an improvement in efficiency and effectiveness. New technologies are seen as an aid to and potentially an enabler of operational delivery. There is a plan to grow our research breadth and profile. Quality and outcomes are continually monitored and new practices welcomed where there is a reasonable expectation of improvement in service delivery.

People Risks: St Luke's is a people organisation – our assets are our people and our services aim to improve the quality of life of our patients and their families. We take the wellbeing of our staff and volunteers very seriously. We aim to both attract and retain top talent across all areas of the charity. We take a cautious approach to risks relating to people: we model our approach on best practice and legislation and endeavour to provide the best possible working environment for all staff and volunteers. We provide this with the expectation that our people conduct themselves in line with our values.

Governance Risks: It is imperative that as a charity that is primarily financed by donations and public money that we take all reasonable steps to ensure that we are well governed. While accepting that risk can never be completely eradicated, we aim to minimise the risks associated with the governance of our resources, whilst being agile to ensure optimum income generation and operational delivery. Throughout our systems and controls, our business continuity plans, our use of data and all our clinical and non-clinical operations we operate in a manner consistent with a minimal tolerance of risk and within robust governance frameworks.

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Financial Overview, including income generation performance

Our total income for the financial year was £14.5m (2023-24 £13.2m). The following comprised the main variances:

- Legacy income received was £2.8m, up from £1.4m in the prior year. There had been long probate delays which resulted in over £1.3m of notified legacy income not being included in the 2023-24 financial statements as it did not meet the recognition criteria of the Charities SORP without probate. During 2024-25 the probate backlog was reduced significantly and so the high income in the current year is a result of delays from the year before and a faster turnaround from HMCTS in recent months. Our five-year legacy income averages at £2.0m per year and so it is not anticipated that the very high legacy income in the current year will be replicated in the next financial year.
- Fundraised income (excluding legacies) was £2.5m, compared to £2.4m in the prior year. It is a difficult time to fundraise for all hospices, and most charities, for a number of reasons such as the cost of living crisis, inflationary pressures on companies and households, giving fatigue following the pandemic and other socio-economic factors. To record a modest income in our fundraised income was a good result and we are budgeting for a further small increase in the year ahead.
- Retail income from our chain of charity shops was £4.2m, up by £0.3m from the previous financial year. For the second year running this represents the highest sales that St Luke's has ever achieved from the retail chain. There was growth in sales across the chain and we opened our new shop on the Kilner Way retail park near Wadsley Bridge during the year. However, the costs of running the chain increased by £0.6m due to set up costs associated with the new shop as well as large increases in staff and other costs. It is a very challenging time for retail with margins falling year on year, but we still achieved a profit across the estate and we expect both sales and profit to increase in the coming year.
- Core contractual income from our commissioning body NHS South Yorkshire Integrated Care Board (ICB) increased from £3.2m to £3.3m. In the prior year we received a £500k grant from the ICB as a contribution to the work we do with complex needs patients. Unfortunately this grant did not repeat in the current year despite our work with this group increasing in the year. At £3.3m our core contractual funding from the NHS represents just 23% of our total funding, 21% of our total expenditure, and contributes just 33% towards expenditure on IPC and community services. The funding model for hospices nationwide is not fit for purpose and many are experiencing considerable financial challenges as a result. However, it really puts into perspective St Luke's situation in that we have managed to maintain activity levels despite having core funding considerably less than the average hospice by a scale of at least £1m per annum. There is some positive news in that we negotiated a new 5 year contract with the ICB that takes effect from 1 April 2025 and contains incremental uplifts in our core funding. This is welcome but does not solve the financial challenges we face.

We spent more money running the charity than in the previous year:

- Our total expenditure for the year increased to £15.6m, up from £13.9m in the prior year. Over £1m of this increase was additional expenditure on our charitable activities (clinical costs and costs associated with education and research) and £0.7m more was spent on raising funds (primarily due to increased costs associated with the shop chain due to the new shop on Kilner Way and rising wages, but also due to investment in lottery canvassing to protect this income stream in the longer term).
- Of the £15.6m, 87.1% were direct costs, with 12.9% being support costs. These are similar percentages to prior years.

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- Most of our costs relate to people. Staff costs were £10.6m, up from £9.5m in the prior year. Staff costs comprise 68% of our total costs, which is to be expected given the nature of our organisation. There were significant inflationary pressure on wages in the year and St Luke's must pay competitive rates to attract and retain high performing people.

- We spent £0.4m from our designated funds. These are funds that the Board has earmarked for specific strategic projects such as investment in research and education, the lottery, IT and digital, and our environmental programme.

The net effect of the shifts in income and costs summarised above is that we have recorded a net deficit in the year on normal operations of over £1.0m (2023-24 £0.5m). The represents the third consecutive year of significant deficit and is not a sustainable position. We have detailed plans in place to reduce the deficit and return to surplus over the next two years. These are based on growing income but also cutting the cost base.

As per the accounting rules we have recorded the movement in capital value of our investment portfolio. In the 2024-25 financial year this was an unrealised gain of £0.1m.

Please note that for every £1 spent on fundraising, we generated £4.07 (2023-24 £3.25) and for every £1 spent on our charity shops, we generated £1.18 in income (2023-24 £1.31).

Ethical fundraising statement

St Luke's fundraising promise to the general public and our existing supporters seeks to ensure that our fundraising, in all its forms, is legal, open, honest and respectful. Ethical fundraising demands more than what is merely required by law. St Luke's strives to go beyond its legal obligations and regulatory requirements to ensure the highest ethical standards in fundraising. Ethical fundraising is not only a vital means of financing St Luke's, but also protects and enhances its reputation within the community. Fundraising will also comply with St Luke's working values, to ensure that fundraising work is caring, pioneering and respectful.

Fundraising and complaints

- 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 support the promotion of our Lottery and other income generating campaigns 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.

- We are organisational members of the Institute of Fundraising, Hospice Lotteries Association and The Lotteries Council. All Fundraising Team members attend mandatory training sessions which include 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 receive regular/annual training on the Fundraising Code and best practice.

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- 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 11 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 and Communications Teams, ensuring that it is not unreasonably intrusive or persistent. All marketing material compliant with data protection legislation and contains clear instructions on how a person can be removed from mailing lists.

- Looking ahead to the coming year, St Luke's is committed to following our ethical fundraising practices and alignment with the Fundraising Code of Practice, particularly in our collaboration with external canvassing companies for increasing our lottery acquisition campaigns. Our due diligence includes ongoing monitoring and evaluation to ensure adherence to our high ethical standards and to ensure their values align with our own when interacting with the public across the city. By responsibly leveraging the expertise of these canvassing companies, we aim to expand our reach and increase lottery participation, thereby generating essential income for our work.

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 Rathbones, 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.

	Standard Criteria
Objective	*'Balanced' return between income and growth*
Risk	*Medium (Risk Level 4)*
Mandate	*Discretionary*

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

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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	5% MSCI UK IMI Liquid Real Estate (Net)
Other Assets	2.5 - 20	10% IWI Alternatives Composite
Cash	0 - 20	5% Bank of England base rate -0.5%

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 direct 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.

The objectives are to be achieved by investing prudently in a broad range of fixed interest securities and equities which are quoted on a Recognised Investment Exchange and unit trusts and OEICs (open ended investment companies) which are authorised under the Financial Services and Markets Act 2000.

Ethical Investment Policy

St Luke's is a value led charity that takes a responsible approach to environmental, social and governance (ESG) issues in regard to investments.

We have appointed professional Investment Managers (Rathbones) to act on behalf of St Luke's, who are expected to consider ESG factors in all investments made with our funds and in particular:

- Not directly invest St Luke's funds in any company that carries out activities that are contrary to the aims and objectives of the charity or that could damage the charity's reputation.

- Not directly invest in any company with which it would be reasonable to hold significant ESG concerns and undertake appropriate due diligence of all companies before investing.

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- When investment is undertaken via collective units (unit and investment trusts) it is expected that Rathbones will engage with the appointed fund managers on matters of corporate governance and that an integrated ESG approach that follows Rathbones investment process for pooled funds be applied to all collective units purchased with St Luke's funds.

Through the appointment of independent professional Investment Managers, we believe that we have taken all reasonable steps to minimise indirect investment in sectors contrary to the aims and objectives of the charity, that could damage the charity's reputation, or in companies that fall below the high ESG standards within which we aspire our portfolio to be invested. We are mindful that in spite of the good intentions of this policy, it is possible that indirect investment of this nature may be made, however it should never be material in relation to the aggregate of the St Luke's investment portfolio.

St Luke's commitment as a result of the application of this policy is that we will invest an increasing proportion of the portfolio in stocks and funds that have a positive ESG impact.

Reserves policy

St Luke's adopts a risk-based approach to the management of its free reserves that seeks to strike an appropriate balance between financial prudence and investment in front line services, our infrastructure and strategic projects. We have reviewed our reserves policy during the financial year and this new policy represents a dynamic risk-based approach that considers the financial stability of St Luke's as well as longer term strategic opportunities and risks the charity faces, the different reasons for holding reserves, and looks to build a target range based on holding these reserves in aggregate, as follows:

- **Operational reserves** – the minimum level of free reserves to be held at all times for immediate working capital needs (such as paying the monthly wages). This is currently estimated as a minimum of **£1.25m**

- **Base reserves** – the minimum level of free reserves to be held at all times, in addition to operational reserves, in order to cover statutory or associated liabilities should we need to undertake a major restructure, or should we lose a key income stream, in order to help mitigate the financial risk to the charity. We estimate this to be **£1.75m**.

The cumulative value of the above elements gives **a platform of c. £3m**. We then build on this with the potentially more variable element:

- **Opportunity reserves** – the final element of reserves held to provide resources to take on new opportunities or to deal with known issues and emerging risks. The level will fluctuate based on financial performance and strategic requirements and will be assessed annually by the Board. We anticipate a range of **between £0.5m and £4m** depending on where we are in the cycle of expenditure into new opportunities. Major capital projects and significant designated fund spend would fall into the category of money spent from these opportunity reserves.

- **Total reserves** – based on the above reserves categories, using a cumulative methodology, the Board considers the need for a target range of free reserves of **£3.5m to £7m**. It is recognised that, relative to the annual expenditure of the charity, the free reserves policy may appear to be quite low, particularly towards the bottom end of the range. However, St Luke's own considerable property assets, not all of which are required for regulated clinical activity or income generation. If required a further **£4.5m of property assets** could be sold without affecting the core clinical activity or disrupting income generation activities.

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In additional to this range of free reserves, the Board also holds a policy in regards to designated funds and restricted funds, as follows:

- 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.

- St Luke's **restricted reserves** policy is that when necessary and legally required we will hold restricted funds.

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 Trustees 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 2025, St Luke's identified a total of £11.0m of its reserves as designated funds (£10.3m in the fixed asset fund and £0.7m in the other funds), summarised as follows:

- Research and Education – our research and education activity is expanding and £175k is required for our planned activity in 2025-26. From the following year (2026-27) research and education costs will be moved to part of our core operating budget, thus eliminating the need for a designated fund.

- Environment and Sustainability – we have achieved a considerable number of our goals over the last couple of years using the designated fund and these costs are largely included within our core budget. However, we will keep a fund of £50k for one off projects, such as charging points and LED lighting upgrades.

- Strategic – with the launch of our new strategy we will hold some earmarked funds to take forward particular strategic themes. As the year progresses the Executive team will determine what these funds will be spent on, but we feel it is important to hold a level of designated funds so as to not constrain strategic initiatives. £150k is held in this fund.

- IT and Digital – with the successful build and implementation of electronic patient record system SystmOne, and the progression of several other IT projects in recent years, we do not need to hold such a large designated fund as in prior years. However, we would like to keep a reasonable level of designated fund to ensure that we do not lag behind in our digital development. £100k is held in this fund.

- Lottery Development – £200k is held in this fund to pay for canvassing activity throughout 2025-26. The plan is to incorporate lottery development within the normal fundraising budgets beyond this year.

- The Fixed Asset fund exists as fixed assets do not form part of our general or free reserves. We own considerable property assets that are required in order to carry out our charitable activities. This fund totals the net fixed asset values in the financial statements each year. As at 31 March 2025 this value was £10.3m.

Taking account of the expected usage of each fund in 2025-26 as noted above, a total of £0.4m of designated funds are expected to be spent in the period to 31 March 2026, with remaining £0.3 expected to be spent in the period 2026-27. The £0.3m will therefore be classified as part of the free reserves of the charity as it could be undesignated in future years. However, the fixed asset fund of £10.3m is not part of free reserves as these assets cannot be readily converted to cash and are required for the long term operation of the charity.

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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.

Reserves at 31 March 2025

At 31 March 2025 St Luke's held £14.9m in total reserves (2024: £15.9m). Of this we have identified a total of £11.0m (2024: £11.8m) as designated funds. Of the £11.0m, £10.3m is held in the fixed asset designated fund.

Of the other designated funds of £0.7m, the spend against these activities is anticipated to occur after the forthcoming financial year 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 2026 (i.e. after more than one year) should remain in free reserves – this amount is estimated to be £0.3m.

Of the total reserves held, ***£4.0m were held as free reserves*** (2024: £5.1m) being the total of general funds (£3.7m), plus the longer-term portion of designated funds (£0.3m). This is within the target range of £3.5m to £7.0m.

Going Concern

The 2024-25 financial statements have been prepared on a going concern basis. Whilst we have recorded net expenditure in the financial year our underlying operational performance was better than budgeted and the net expenditure included planned strategic spend of elements of our reserves through designated funds. We have a strong asset base and are likely to see a further planned deficit in the next financial year before returning to break even and then surplus. 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 the Executive Directors, senior managers, 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 Directors.

The Executive Directors are supported by a clear and accountable organisation structure through the Operational Leadership Team which includes Heads of Department and Senior Managers.

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St Luke's Executive Directors

St Luke's Board of Trustees delegates the safe and effective running of the Charity to the Chief Executive and the Executive Directors. 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, South Yorkshire Integrated Care Board ('SYICB'), and many others. This brings particular requirements for its senior staff, including the need to meet particular 'Fit and Proper Persons' criteria as specified in healthcare regulations.

As well as taking lead responsibility for running and managing St Luke's and being accountable to our governing bodies, St Luke's Executive Directors 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 Directors 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 Directors 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.

Remuneration for the Executive Directors 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 Directors' 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 Directors are also expected to represent St Luke's on regional and national bodies in furtherance of St Luke's objectives.

The following employees served as St Luke's Executive Directors during the year:

Name	Role	Length of Service at St Luke's	Qualifications	Governance Support Lead
Current Directors				
Jo Lenton	Chief Executive and Chief Nurse (from July 2024) Chief Nurse and Director of Care (prior to July 2024)	16 years	Registered Nurse BA (Hons) Supportive & Palliative Care	Board of Trustees
Tony Saunders	Director of Finance and Chief Operating Officer	15 years	BA (Hons) FCA – Fellow of The Institute of Chartered Accountants in England and Wales	Audit and Risk Committee; Resource and Finance Committee
Sam Kyerematen (1)	Medical Director and Clinical Lead for Programme Development	12 years	MBChB MRCP Dip, PallMed	Research Committee

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Katie Weller	Director of People and Wellbeing (from April 2024)	3 years	BA (Hons) MCIPD	Nominations and Remuneration Committee
Former Directors				
Peter Hartland – resigned June 2024	Chief Executive Officer	16 years	BSc (Hons) ACA – Associate of The Institute of Chartered Accountants in England and Wales	
Kathryn Burkitt – resigned March 2025	Commercial Director	16 years	BA (Hons) MInstF	

(1) Dr Kyerematenge'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

Sub-Committees of the Board

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).

Clinical Research and Development 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.

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.

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:

- The recommendation of individuals to be considered for appointment as Trustees of the Charity of 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 Directors and the appraisal of the trustees and the Chief Executive.

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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.

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 an initial term of four years. This can be renewed for a further four years, and then two years, by mutual agreement. No Trustee may serve for more than ten years.

Section 172(1) statement

The Trustees are aware of their duties and have mechanisms in place to ensure they comply with the matters outlined in section 172(1) of the Companies Act 2006. This includes ensuring that any decisions that may have a long-term influence on the success of the Charity require, at a minimum, a full risk assessment and business case appraisal. Trustees regularly engage with the Executive Directors and senior staff members through formal Board and Committee meetings at which risk assessments and business cases are considered in respect of all major decisions that could have a long-term influence on the Charity.

The Trustees are aware of their duties to inform all regulatory bodies of any areas of concern. Regular submissions are made to South Yorkshire Integrated Care Board, the Care Quality Commission, the Information Commissioners Office, the Gambling Commission and other regulatory bodies. All areas of compliance are reported to the relevant sub-committee of the Board and an annual statement of compliance with all laws and regulations is received by the full Board. Trustees attend any ad hoc meetings required in respect of regulatory compliance and investigation and they consider whether any concerns should be submitted to the Charity Commission under the Reporting of Serious Incidents (RSI) process.

The Board receives feedback from staff and people we support through surveys, monitoring of complaints, compliments, and incidents, attendance at service user forums (where appropriate) and Patient Safety Leadership Walkrounds. Trustees also regularly attend a variety of public events that St Luke's hold throughout each year and interact with staff, volunteers, supporters and general public. They attend shop openings and celebrations, volunteer long-service awards, services of remembrance and other key events.

The Trustees monitor financial performance in detail at the Resource and Finance Committee and in a more summarised format at full Board meetings. Financial controls and the application of ethical terms of business are monitored through the Resource and Finance and the Audit and Risk Committees. Committees and Working Groups of the Board have the opportunity to meet with professional advisors to seek feedback on specific risk areas of the Charity and its responsiveness to regulatory and legal compliance matters.

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The Charity has ethical fundraising and investment policies in place and adherence to these is monitored through Committees and Working Groups. We have an Environmental and Sustainable Practices Group which is a working group comprising members of the Board, the Executive Directors and key staff which has oversight of our various initiatives that help St Luke's to be an environmentally sustainable organisation.

Public benefit statement

In planning and delivering its services and activities, the Trustees and Executive Directors 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 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.

Equality statement

St Luke's is committed to the promotion of diversity and equal opportunities and to eliminating and preventing unlawful discrimination in our work.

We believe that our services should be available to all, regardless of race, age, gender, disability, sexuality, religion, marital status, gender reassignment status or the area of Sheffield in which a person lives. We are also committed to treating staff, volunteers and those applying to work at St Luke's fairly and without discrimination.

We actively seek to promote equality by ensuring that we meet our legal duties under the Equality Act 2010 and the Human Rights Act 1998, by making sure that equality and diversity are at the centre of our policies and procedures, and by ensuring that staff and volunteers are able to meet the diverse needs of our service users.

Environmental Impact and Sustainability statement

St Luke's is a charity that is all about caring. Just as we care for people, we also care for our environment, our neighbours and our impact on society.

As our journey to be a better organisation continues, we aspire to reduce the negative impact we have on our environment and to improve and grow the positive impact we have on our neighbourhood and society. We'll do this by developing our philosophy, improving our awareness and understanding, seeking best practice and establishing action plans to make improvements – seeking outcomes that can be measured against appropriate benchmarks and charters. We'll report our progress and celebrate our successes – and work harder on things that are difficult to achieve. By doing these things we'll demonstrate that we are a responsible citizen and we'll enhance sustainability for ourselves and those around us.

St Luke's recognises that this is a long-term journey with significant resource implications, and that we cannot change overnight. But our commitment is clear and we'll work as a team, and with partners, to combine big-ticket actions with small positive steps to progressively achieve our goal of a greener, more energy-efficient, and sustainable St Luke's in tune with our environment and community.

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Streamlined Energy and Carbon Reporting (SECR)

As part of SECR, our UK greenhouse gas (GHG) emissions and energy use for the year are as set out below:

UK GHG Emissions and energy use data for the period 1 April 2024 to 31 March 2025

Energy consumption used to calculate emissions (kWh):	2,450,386
Energy consumption breakdown (kWH):	
• Gas	
• Electricity	
• Transport fuel	
Direct GHG emissions: gas consumption	269.84
Indirect energy emissions: purchased electricity	171.93
Other indirect emissions: employee mileage while undertaking activities for St Luke's Hospice	30.89
Total gross emissions in metric tonnes CO2e	472.66
Intensity ratio in in metric tonnes CO2e per staff FTE	1.60

NB. first year reporting requirement under SECR

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and the UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes per staff FTE.

Measures to improve energy efficiency

During the year to which these accounts relates we made significant progress in improving our energy efficiency. We installed new solar panels at our main hospice site, replacing the old ones that had originally been installed in 2013. The new solar panels are considerably more effective than the old ones and will make a significant contribution to improving our energy efficiency at the hospice.

We have continued our programme of replacing old fashioned lighting with energy efficient LED lighting. Our estate is considerable, spanning 20 sites, and so this programme will continue into the next financial year. Alongside this our new utilities contracts use 100% green energy.

It is important to St Luke's and its staff that we reduce our environmental impact where possible.

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The cross-organisational 'Big Ticket' environmental groups met regularly throughout the year increasing awareness of energy efficiency and specifically focussing on:

- transport
- energy
- reduce, reuse, recycle
- grounds, biodiversity and carbon capture

Looking ahead we have plans to replace elements of our diesel vehicle fleet with electric vans, to install electric vehicle charging points at our larger sites, to introduce bee hives at our Ecclesall Road South site, and to significantly reduce single use plastics in our retail chain.

Our progress to date and into the future is underpinned by the Board's commitment to the environmental and sustainability agenda. This commitment is demonstrated through the earmarking of funds to the environmental designated fund.

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 objectives:

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

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

- By providing palliative care in the community and by providing support for the carers and relatives of terminally ill people.

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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
Executive Team	Jo Lenton *Chief Executive and Chief Nurse* Tony Saunders *Director of Finance and Chief Operating Officer (Company Secretary)* Dr Sam Kyerematenge *Medical Director and Clinical Lead for Programme Development* Katie Weller *Director of People and Wellbeing* *Peter Hartland* *Kathryn Birkett*
Board of Trustees	Adrian Belton *Chair of the Board of Trustees* Dr Lucy Cormack *Chair of the Healthcare Governance Committee* Steve Ned *Chair of the Nominations and Remuneration Committee* Angus Ridge *Chair of the Resource and Finance Committee* Amy Stanbridge *Chair of the Audit and Risk Committee* Professor Jon Wadsley *Chair of the Research Committee* Dr Mark Durling

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Louise Edwards-Holland

Professor Diana Greenfield (resigned 24 June 2025)

Louisa Harrison-Walker

Nicola James

Dr Suvira Madan

Martin McKervey

Dr Kathryn Platts (resigned 24 June 2025)

Shelley Garlington (resigned 31 July 2024)

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 Principal Patrons are:

Hugh Facey OBE & Mrs Frances Facey
Neil MacDonald OBE
Ruth Wilkes (daughter of our Founder, Professor Eric Wilkes OBE)

The President's Award

President's award recipients:	Sue Inglis, 2024
	Helen Bacon, 2024
	Alex Pettifer MBE, 2024
	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, which was presented for HM The Queen by HM Lord-Lieutenant of South Yorkshire in 2019.

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Bankers	Svenska Handelsbanken AB (publ) Seventh Floor 3 St Paul's Place 129 Norfolk Street Sheffield S1 2JE Barclays 2-10 Pinstone Street Sheffield S1 2HN
Solicitors	Knights plc Commercial House 14 Commercial Street Sheffield S1 2AT Freeths Fifth Floor 3 St Paul's Place 129 Norfolk Street Sheffield S1 2JE Hemingways Solicitors Limited 11 Westbourne Road Sheffield S10 2QQ DAC Beachcroft St Pauls House 23 Park Square South Leeds, LS1 2ND
Auditors	BHP LLP Albert Works Sidney Street Sheffield S1 4RG

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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 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.

Auditor

The auditor, BHP LLP, have indicated their willingness to stand for reappointment.

In accordance with the company's articles, a resolution proposing that BHP LLP be reappointed as auditor of the company will be made at a Board Meeting.

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.

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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 23/09/2025 GMT..... 2025.

Adrian Belton
Signer ID: XYR05JWPND...
Adrian Belton
Chair of the Board of Trustees

Angus Ridge
Signer ID: X4BLCNUXAK...
Angus Ridge
Chair of Resource and Finance Committee

Document ID:

Opinion

We have audited the financial statements of St Luke's Hospice (the "parent charitable company") and its subsidiary (the "group") for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2025, and of its 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 responsibilities for the audit of the financial statements section of our report. We are independent of the 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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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, which includes the strategic report and the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

Auditor responsibilities for the audit of the financial statements

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

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Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- 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 parent charitable company 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 charitable company, including the Charities Act 2011, Companies Act 2006, taxation legislation and data protection, employment, health and safety legislation (including CQC documentation) and requirements of the Gambling Commission;
- 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 charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

- Making enquiries of management and trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- 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 variances.
- Tested journal entries to identify unusual transactions.
- Assessed whether judgments and assumptions made in determining the accounting estimates set out in note 1(r) were indicative of potential bias.
- 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:

- Agreeing financial statement disclosures to underlying supporting documentation.
- Reading the minutes of meetings of those charged with governance.
- Enquiring of management as to actual and potential litigation and claims

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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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/library/standards-codes-policy/audit-assurance-and-ethics/auditors-responsibilities-for-the-audit. 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.

BHP LLP

Signer ID: CRZCVPKXXZ...

29/09/2025 GMT

Laura Masheder (Senior statutory auditor) Date……

For and on behalf of

BHP LLP
Chartered Accountants
Statutory Auditors
Albert Works,
Sidney Street,
Sheffield,
S1 4RG

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ST LUKE'S HOSPICE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)
YEAR ENDED 31 MARCH 2025

	Note	Unrestricted funds 2025 £	Designated funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Unrestricted funds 2024 £	Designated funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Income from:									
Legacies and donations		**4,050,541**	**-**	**99,550**	**4,150,091**	2,534,376	-	57,155	2,591,531
Other trading activities:									
Special events and sundry sales		**355,552**	**-**	**-**	**355,552**	358,107	-	-	358,107
Charity shops		**4,174,779**	**-**	**-**	**4,174,779**	3,872,838	-	-	3,872,838
Lottery income		**755,810**	**-**	**-**	**755,810**	799,603	-	-	799,603
Education and research		**316,326**	**-**	**-**	**316,326**	374,498	-	-	374,498
Other income		**416,438**	**-**	**-**	**416,438**	306,896	-	-	306,896
Investment income	**2**	**199,474**	**-**	**-**	**199,474**	208,269	-	-	208,269
Charitable activities									
SYICB Contract		**3,290,125**	**-**	**-**	**3,290,125**	3,216,200	-	-	3,216,200
Subsidy of medicine & drugs costs		**84,767**	**-**	**-**	**84,767**	90,747	-	-	90,747
Other grants		**78,142**	**-**	**727,245**	**805,387**	327,446	-	578,006	905,452
ICB complex needs funding		**-**	**-**	**-**		-	-	500,000	500,000
		13,721,954	**-**	**826,795**	**14,548,749**	12,088,980	-	1,135,161	13,224,141
Expenditure on:									
Raising funds									
Legacies and donations	**3**	**529,438**	**7,783**	**15**	**537,236**	483,726	3,513	-	487,239
Special events and sundry sales	**3**	**339,633**	**6,191**	**15**	**345,839**	325,375	3,448	-	328,823
Charity shops	**3**	**3,532,131**	**4,806**	**-**	**3,536,937**	2,957,095	2,212	-	2,959,307
Lottery prizes and expenses	**3**	**355,215**	**54,251**	**-**	**409,466**	338,300	-	-	338,300
Investment management fees	**3**	**23,284**	**-**	**-**	**23,284**	24,429	-	-	24,429
Total		**4,779,701**	**73,031**	**30**	**4,852,762**	4,128,925	9,173	-	4,138,098

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ST LUKE'S HOSPICE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)
YEAR ENDED 31 MARCH 2025

	Note	Unrestricted funds 2025 £	Designated funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Unrestricted funds 2024 £	Designated funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Expenditure on:									
Charitable activities									
Inpatient care	**3**	**5,885,395**	**245,887**	**323,158**	**6,454,440**	4,719,505	180,595	760,951	5,661,051
Medicine & drugs costs	**3**	**84,767**	**-**	**-**	**84,767**	90,747	-	-	90,747
Early support for terminal illness	**3**	**212,752**	**3,038**	**3,639**	**219,429**	151,914	3,253	-	155,167
Integrated community care services	**3**	**3,129,698**	**121,356**	**191,637**	**3,442,691**	2,914,669	166,782	158,495	3,239,946
Education and research	**3**	**540,252**	**4,777**	**50**	**545,079**	583,423	1,366	-	584,789
Total		**9,852,864**	**375,058**	**518,514**	**10,746,406**	8,460,258	351,996	919,446	9,731,700
Total expenditure		**14,632,565**	**448,089**	**518,544**	**15,599,168**	12,589,183	361,169	919,446	13,869,798
Net income / (expenditure)	**6**	**(910,611)**	**(448,089)**	**112,797**	**(1,050,419)**	(500,203)	(361,169)	215,715	(645,657)
Gains/(losses) on investments									
Realised and unrealised gains/(losses) on investments	**8**	**112,979**	**-**	**-**	**112,979**	233,694	-	-	233,694
Gain/(loss) on revaluation of fixed assets	**7,8**	**(81,280)**	-	-	**(81,280)**	-	2,465,880	-	2,465,880
		31,699	**-**	**-**	**31,699**	233,694	2,465,880	-	2,699,574
Net (expenditure)/income		**(878,912)**	**(448,089)**	**308,281**	**(1,018,720)**	(266,509)	2,104,711	215,715	2,053,917
Transfer between funds	**14/15**	**635,504**	**(326,401)**	**(309,103)**	**-**	(7,885,135)	7,928,128	(42,993)	-
Net movement in funds		**(243,408)**	**(774,490)**	**(822)**	**(1,018,720)**	(8,151,644)	10,032,839	172,722	2,053,917
Funds balance at 1 April 2024		**3,959,558**	**11,782,839**	**172,722**	**15,915,119**	12,111,202	1,750,000	-	13,861,202
Funds balance at 31 March 2025	**14/15**	**3,716,150**	**11,008,349**	**171,900**	**14,896,399**	3,959,558	11,782,839	172,722	15,915,119

The Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

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ST LUKE'S HOSPICE

BALANCE SHEET

31 MARCH 2025

		GROUP		CHARITY	
		2025	2024	2025	2024
	Note	£	£	£	£
Fixed assets					
Tangible assets	**7**	10,333,338	10,044,009	10,333,338	10,044,009
Investments	**8**	3,152,575	4,612,596	3,152,649	4,612,670
		13,485,913	14,656,605	13,485,987	14,656,679
Current assets					
Stock – goods for resale		**96,044**	84,648	**96,044**	84,648
Debtors	**9**	**3,809,213**	2,292,512	**3,810,598**	2,292,512
Cash at bank and in hand	**10**	**648,613**	1,846,645	**646,455**	1,845,584
		4,553,870	4,223,805	**4,553,097**	4,222,744
Creditors: amounts falling due within one year	**11**	**(3,143,384)**	(2,965,291)	**(3,157,095)**	(2,977,805)
Net current assets		**1,410,486**	1,258,514	**1,396,002**	1,244,939
Total assets less current liabilities		**14,896,399**	15,915,119	**14,881,989**	15,901,618
Charity Funds					
General funds	**15**	**3,716,150**	3,959,558	**3,701,740**	3,946,057
Designated funds	**15**	**11,008,349**	11,782,839	**11,008,349**	11,782,839
Restricted funds	**16**	**171,900**	172,722	**171,900**	172,722
Total charity funds -		**14,896,399**	15,915,119	**14,881,989**	15,901,618
Including investments revaluation reserve (£250,942 (2024: £117,700))					

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 deficit of the charity is £1,033,200 (2024: surplus £2,040,346).

The financial statements were approved and authorised for issue by the Board on 23/09/2025 GMT

Board of Trustees

Adrian Belton
Signer ID: XYR05JWPND...
Adrian Belton
Chair of the Board of Trustees

Angus Ridge
Signer ID: X4BLCNUXAK...
Angus Ridge
Chair of Resource and Finance Committee

The notes on pages 36 to 58 form part of these financial statements.
Company registration number: 00922448

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ST LUKE'S HOSPICE

CONSOLIDATED STATEMENT OF CASH FLOWS

31 MARCH 2025

	Note	£	2025 £	£	2024 £
Net cash flow (used in) operating activities	**17**		**(2,399,301)**		(804,968)
Cash flows from Investing activities					
Interest received	**2**	**71,115**		72,651	
Dividends received	**2**	**128,359**		135,618	
Purchase of tangible fixed assets	**7**	**(707,705)**		(868,272)	
Proceeds from sale of fixed assets		**136,500**		-	
Purchase of investments	**8**	**(1,179,726)**		(1,856,567)	
Proceeds from sale of investments	**8**	**2,713,881**		1,777,904	
Net cash flow from investing activities			**1,162,424**		(738,666)
Decrease in cash and cash equivalents in the year			**(1,236,877)**		(1,543,634)
Cash and cash equivalents as at 1 April 2024	**18**		**1,885,934**		3,429,568
Cash and cash equivalents as at 31 March 2025	**18**		**649,057**		1,885,934

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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 2024-25 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 2025-25 financial year anticipate a deficit due to significant inflationary pressures on wages and other costs. 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 for the next 12 months following approval of these financial statements.

(c) Basis of consolidation

The consolidated accounts include the accounts of St Luke's Hospice 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 deficit of the charity is £1,033,200 (2024: surplus £2,040,346). The summary financial performance of the charity alone is disclosed in note 23. The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only statement of cash flows in the consolidated financial statements.

(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.

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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) South Yorkshire Integrated Care Board

Income represents grants receivable from the South Yorkshire Integrated Care Board (SYICB) 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.

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(vii) Special events and sundry sales income

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

(viii) Dividends

The charity was gifted shares in a private limited company, the gifted shares have no voting rights, however they do have entitlement to dividends. The shares cannot be valued as they are not held on a listed investment stock exchange and cannot be transferred or exchanged. The dividends are recognised on a receivable basis.

(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.

Expenditure on raising funds includes all expenditure incurred by the group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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.

Document ID:

(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 charged to the SoFA as they are incurred.

Document ID:

(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) 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.

(q) Agency arrangements

The charity acts as an agent in distributing funds in relation to various ECHO projects and CoMPaSs. Payments are received for funds which are distributed to various partners. St Luke's is one of three ECHO Superhubs in the UK.

The funds are excluded from the statement of financial activities as the charity does not have control over the charitable application of the funds. The funds are received and paid and any balances held are disclosed in note 24.

(r) Critical accounting estimates and areas of judgement

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

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

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.

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i. Donated stock
Donated stock is valued based on post year end sales and stock turnover.

ii. Property valuations
Freehold land and buildings and long leasehold land and buildings are included at fair value, impairment reviews are considered annually.

iii. Legacy accrued income
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 at the year-end date.

2. Income from investments

	2025	2024
	£	£
Dividends and interest	**128,359**	135,618
Bank interest	**71,115**	72,651
	199,474	208,269

Income from investments in both years is unrestricted.

3. Analysis of expenditure

	Direct costs	**Support costs**	**Total 2025**	Total 2024
	£	**£**	**£**	£
Raising funds				
Legacies and donations	**412,715**	**124,521**	**537,236**	487,239
Special events and sundry sales	**258,785**	**87,054**	**345,839**	328,823
Charity shops	**3,439,793**	**97,144**	**3,536,937**	2,959,307
Lottery prizes and expenses	**349,446**	**60,020**	**409,466**	338,300
Investment management costs	**23,284**	**-**	**23,284**	24,429
	4,484,023	**368,739**	**4,852,762**	4,138,098
Charitable activities				
Inpatient care	**5,521,266**	**933,174**	**6,454,440**	5,661,050
Medicine and drugs	**84,767**	**-**	**84,767**	90,747
Early support for terminal illness	**182,941**	**36,488**	**219,429**	155,167
Integrated community care services	**2,868,241**	**574,450**	**3,442,691**	3,239,946
Education and training	**449,566**	**95,513**	**545,079**	584,790
	9,106,781	**1,639,625**	**10,746,406**	9,731,700
Total	**13,590,804**	**2,008,364**	**15,599,168**	13,869,798
2024 Total	11,955,020	1,914,778	13,869,798	

Included within support costs are governance costs of £136,885 (2024: £125,315) which are detailed in note 4.

Support costs totalling £2,008,365 (2024: £1,914,778) 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.

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4. Governance costs

	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Strategic management	**103,905**	-	**103,905**	98,884
Legal, professional and support costs	**32,980**	**-**	**32,980**	26,431
	136,885	**-**	**136,885**	125,315
2024 Total	125,315	-	125,315	

5. Employment costs

	2025 £	2024 £
Staff costs		
Wages and salaries	**9,216,990**	8,253,200
Social security costs	**886,528**	774,540
Pension costs	**486,397**	428,628
	10,589,915	9,456,368

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

	Number of employees 2025	2024
£120,001 - £130,000	**1**	-
£110,001 - £120,000	**-**	1
£100,001 - £110,000	**4**	-
£90,001 - £100,000	**1**	2
£80,001 - £90,000	**-**	-
£70,001 - £80,000	**1**	2
£60,000-£70,000	**4**	3

The key management personnel of St Luke's during 2024-25 comprise the Chief Executive Office (resigned June 2024), the Chief Executive Officer and Chief Nurse (appointed July 2024) and the Executive Directors. The total emoluments earned as employees of St Luke's including employer national insurance and pension contributions totals £609,000 (2024: £481,087). During the year pension contributions on behalf of these employees amounted to £80,608 (2024: £71,838)

As shown above, St Luke's has employed 11 individuals who earned over £60,000. Of these, three were medical consultants employed on NHS equivalent contracts. Five of those listed were members of the key management team in the year. The Chief Executive Officer and Chief Nurse is not the highest paid employee.

Total redundancy payments amounted to £Nil (2024: £46,184) and are included in wages and salary costs.

Please refer to page 17 of the Trustees' Report for details on how executive pay is set.

Document ID:

5. Employment costs – continued

	Head count - Average Number of employees	
	2025	2024
Ancillary	**39**	41
Medical and nursing	**74**	74
Allied Health Professional	**41**	32
Professional and technical	**39**	35
Fundraising	**10**	11
Administration	**16**	16
Shops	**77**	75
	296	284

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 2024-25, is £1,180,825 (2023-24: £897,653). 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:

	2025	2024
	£	£
Auditor's remuneration:		
Audit	**26,700**	25,420
Other Services	**-**	1,575
Hire of other assets – operating leases	**604,575**	304,710
Loss/(profit) on disposal of fixed assets	**(27,685)**	-
Impairment on revaluation of fixed assets	**81,280**	-
Depreciation	**228,281**	147,871

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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		
	£	£	£	£	£	£	£
Cost/valuation							
At beginning of year	2,900,000	4,350,000	1,510,000	160,000	1,093,158	1,624,323	11,637,481
Additions	71,300	-	9,980	-	283,649	342,776	707,705
Disposals	-	-	(100,000)	-	-	(8,815)	(108,815)
Revaluation	(71,300)	-	(9,980)	-	-	-	(81,280)
At end of year	**2,900,000**	**4,350,000**	**1,410,000**	**160,000**	**1,376,807**	**1,958,284**	**12,155,091**
Depreciation							
At beginning of year	-	-	-	-	469,436	1,124,036	1,593,472
Charge for the year	-	-	-	-	100,164	128,117	228,281
Revaluation	-	-	-	-	-	-	-
At end of year	**-**	**-**	**-**	**-**	**569,600**	**1,252,153**	**1,821,753**
Net book value At 31 March 2025	**2,900,000**	**4,350,000**	**1,410,000**	**160,000**	**807,207**	**706,131**	**10,333,338**
At 31 March 2024	2,900,000	4,350,000	1,510,000	160,000	623,722	500,287	10,044,009

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.

Document ID:

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:

	2025 Freehold property £	2025 Long leasehold property £	2024 Freehold property £	2024 Long leasehold property £
Cost	**16,463,310**	**168,271**	16,482,029	168,271
Accumulated impairment (losses)/gains	**(5,072,892)**	**46,074**	(4,991,611)	46,074
Accumulated depreciation	**(2,730,418)**	**(54,345)**	(2,730,418)	(54,345)
Net book value	**8,660,000**	**160,000**	8,760,000	160,000

Freehold land and buildings were subject to independent, professional valuation as at 28 February 2024. The valuation was undertaken by SMC Brownill Vickers. The valuations will be reviewed for indicators or material change annually and a professional valuation will be obtained at least every 5 years.

8. Fixed asset investments

	Group		Charity	
	2025	2024	2025	2024
Listed Investments:	£	£	£	£
Market value at beginning of year	**4,573,297**	4,260,940	**4,573,297**	4,260,940
Additions	**1,179,726**	1,856,567	**1,179,726**	1,856,567
Disposals	**(2,713,881)**	(1,777,904)	**(2,713,881)**	(1,777,904)
Net investment gains / (losses)	**112,979**	233,694	**112,979**	233,694
Market value at end of year	**3,152,121**	4,573,297	**3,152,121**	4,573,297
Investment cash	**444**	39,289	**444**	39,289
Market value at end of year	**3,152,565**	4,612,586	**3,152,565**	4,612,586
Unlisted investments	**10**	10	**84**	84
	3,152,575	4,612,596	**3,152,649**	4,612,670
Historical cost of listed investments	**2,901,633**	4,406,518	**2,901,633**	4,406,518

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8. Fixed asset investments (continued)

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

	Note	Country of incorporation	Principal activity	Class and percentage of shares held
Subsidiary undertaking				
St Luke's Options Limited	**22**	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	
	2025	**2024**	**2025**	**2024**
	£	**£**	**£**	**£**
Trade debtors	**36,342**	180,669	**36,340**	180,669
Income tax recoverable	**290,569**	106,565	**290,569**	106,565
Prepayments and accrued income	**3,295,937**	1,821,316	**3,295,937**	1,821,316
Other debtors	**186,365**	183,962	**187,752**	183,962
Amounts owed by group undertakings		-	**-**	-
	3,809,213	2,292,512	**3,810,598**	2,292,512

10. Cash and Bank

	Group		Charity	
	2025	**2024**	**2025**	**2024**
	£	**£**	**£**	**£**
Cash at bank	**642,822**	1,841,658	**640,664**	1,840,597
Cash in hand	**5,791**	4,987	**5,791**	4,987
	648,613	1,846,645	**646,455**	1,845,584

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11. Creditors: amounts falling due within one year

	Group		Charity	
	2025	**2024**	**2025**	**2024**
	£	**£**	**£**	**£**
Trade creditors	**727,889**	745,546	**727,889**	745,546
Other creditors	**152,379**	160,682	**152,379**	160,682
Taxation and social security	**216,041**	181,313	**216,041**	181,313
Accruals and deferred income **(note 13)**	**655,657**	960,960	**655,657**	960,960
Amounts owed to group undertakings	**-**	-	**13,711**	12,514
Amounts held under agency arrangement **(note 24)**	**1,391,418**	916,790	**1,391,418**	916,790
	3,143,384	2,965,291	**3,157,095**	2,977,805

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

Group and Charity	**2025**	**2024**
	£	**£**
Other creditors	**-**	-

13. Deferred income

Group and Charity	**£**
Balance at 1 April 2024	449,352
Amounts utilised in the year	(449,352)
Amount deferred in the year	118,290
Balance at 31 March 2025	118,290

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.

14. Commitments

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

	2025	**2025**	**2024**	**2024**
	Land and buildings	**Plant**	**Land and buildings**	**Plant**
	£	**£**	**£**	**£**
Within one year	**598,973**	**7,997**	330,615	8,895
Two to five years	**1,422,573**	**613**	1,859,649	6,671
Over five years	**-**	**-**	-	-
	2,021,546	**8,610**	2,190,264	15,566

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15. Summary of movement in funds

	Unrestricted fund £	Designated fund £	Restricted fund £	Total £
Fund balance at 1 April 2024	3,959,558	11,782,839	172,722	15,915,119
Income	13,721,954	-	826,795	14,548,749
Expenditure	(14,632,565)	(448,089)	(518,514)	(15,599,168)
Investment gains	112,979	-	-	112,979
Transfers of fixed assets to designated	635,504	(326,401)	(309,103)	-
Revaluation on fixed assets	(81,280)	-	-	(81,280)
Fund balance at 31 March 2025	**3,716,150**	**11,008,349**	**171,900**	**14,896,399**

	Unrestricted fund £	Designated fund £	Restricted fund £	Total £
Fund balance at 1 April 2023	12,111,202	1,750,000	-	13,861,202
Income	12,088,980	-	1,135,161	13,224,141
Expenditure	(12,589,183)	(361,169)	(919,446)	(13,869,798)
Investment losses	233,694	-	-	233,694
Transfers	(7,885,135)	7,928,128	(42,993)	-
Revaluation on fixed assets	-	2,465,880	-	2,465,880
Fund balance at 31 March 2024	3,959,558	11,782,839	172,722	15,915,119

Document ID:

15. Analysis of movement in unrestricted funds (continued)

Group	General Fund £	Research and Education £	Strategic £	Environment & Sustainability £	IT and Digital Transformation £	Lottery Development £	Fixed Assets £	Total 2025 £
Fund balance at 1 April 2024	3,959,558	209,504	304,499	255,019	619,809	350,000	10,044,008	**15,742,397**
Income	13,721,954	-	-	-	-	-	-	**13,721,954**
Expenditure	(14,632,565)	(136,274)	(111,958)	(28,520)	(118,377)	(52,960)	-	**(15,080,654)**
Other recognised gains	112,979	-	-	-	-	-	-	**112,979**
Transfers to unrestricted funds	326,401	101,770	(42,541)	(176,499)	(401,432)	(97,040)	289,341	-
Transfers to designated funds	-	-	-	-	-	-	-	-
Transfers from restricted funds	309,103	-	-	-	-	-	-	**309,103**
Revaluation of fixed assets	(81,280)	-	-	-	-	-	-	**(81,280)**
Fund balance at 31 March 2025	**3,716,150**	**175,000**	**150,000**	**50,000**	**100,000**	**200,000**	**10,333,349**	**14,724,499**

Charity	General Fund £	Research and Education £	Strategic £	Environment & Sustainability £	IT and Digital Transformation £	Lottery Development £	Fixed Assets £	Total 2025 £
Fund balance at 1 April 2024	3,946,057	209,504	304,499	255,019	619,809	350,000	10,044,008	**15,728,896**
Income	13,656,380	-	-	-	-	-	-	**13,656,380**
Expenditure	(14,581,471)	(136,274)	(111,958)	(28,520)	(118,377)	(52,960)	-	**(15,029,560)**
Other recognised gains	112,979	-	-	-	-	-	-	**112,979**
Transfer to unrestricted funds	326,401	101,770	(42,541)	(176,499)	(401,432)	(97,040)	289,341	-
Transfers to designated funds	-	-	-	-	-	-	-	-
Transfers from restricted funds	309,103	-	-	-	-	-	-	**309,103**
Revaluation of fixed assets	(81,280)	-	-	-	-	-	-	**(81,280)**
Fund balance at 31 March 2025	**3,701,740**	**175,000**	**150,000**	**50,000**	**100,000**	**200,000**	**10,333,349**	**14,710,089**

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15. Analysis of movement in unrestricted funds (continued)

Group	General Fund £	Research and Education £	Strategic £	Environment & Sustainability £	IT and Digital Transformation £	Lottery Development £	Fixed Assets £	Total 2025 £
Fund balance at 1 April 2023	12,111,202	250,000	350,000	300,000	850,000	-	-	13,861,202
Income	12,088,980	-	-	-	-	-	-	12,088,980
Expenditure	(12,589,183)	(40,496)	(45,501)	(44,981)	(230,191)	-	-	(12,950,352)
Revaluation on fixed assets	-	-	-	-	-	-	2,465,880	2,465,880
Other recognised gains	233,694	-	-	-	-	-	-	233,694
Transfer to unrestricted funds	-	-	-	-	-	-	-	-
Transfers to designated funds	(7,885,135)	-	-	-	-	350,000	7,535,135	-
Transfers from restricted funds	-	-	-	-	-	-	42,993	42,993
Fund balance at 31 March 2024	3,959,558	209,504	304,499	255,019	619,809	350,000	10,044,008	15,742,397

Charity	General Fund £	Research and Education £	Strategic £	Environment & Sustainability £	IT and Digital Transformation £	Lottery Development £	Fixed Assets £	Total 2025 £
Fund balance at 1 April 2023	12,091,453	250,000	350,000	300,000	850,000	-	-	13,841,453
Income	12,026,490	-	-	-	-	-	-	12,026,490
Expenditure	(12,540,264)	(40,496)	(45,501)	(44,981)	(230,191)	-	-	(12,901,433)
Revaluation on fixed assets	-	-	-	-	-	-	2,465,880	2,465,880
Other recognised gains	233,694	-	-	-	-	-	-	233,694
Transfers to unrestricted funds	-	-	-	-	-	-	-	-
Transfers to designated funds	(7,885,135)	-	-	-	-	350,000	7,535,135	-
Transfer from restricted funds	-	-	-	-	-	-	42,993	42,993
Gift aid from subsidiary company	19,819	-	-	-	-	-	-	19,819
Fund balance at 31 March 2024	3,946,057	209,504	304,499	255,019	619,809	350,000	10,044,008	15,728,896

Document ID:

15. Analysis of movement in unrestricted funds (continued)

The named designated funds are estimated amounts set aside for the 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. £175k is required for our planned activity in 2025-26. From 2026-27, research and education costs will be moved to part of our core operating budget, thus eliminating the need for a designated fund.

The Strategic fund has been set at £150k. With the launch of the new strategy, funds have been earmarked to take forward particular strategic themes. As the year progresses, the Executive team will determine what these funds will be spent on.

The Environment and Sustainability fund has enabled St Luke's to achieve a considerable number of our goals over the last couple of years. We will keep a fund of £50k for one off projects, such as charging points and LED lighting upgrades

The IT and Digital Transformation fund has been used to support the build and implementation of electronic patient record system SystmOne and the progression of several other IT projects. Going forward, we do not need to hold such a large designated fund and therefore the fund has been reduced to £100k. This will be used to keep pace with digital developments.

The Lottery Development fund is held to pay for canvassing activity throughout 2025-26. The plan is to incorporate lottery development within the normal fundraising budgets beyond this year. £200k is held in this fund.

The Fixed Assets fund has been created to recognise the fact that are fixed assets do not form part of our general or free reserves. We own considerable property assets that are required in order to carry out our charitable activities. This fund will total the net fixed assets in the financial statements each year.

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

The transfer of funds from unrestricted to designated funds was in respect of the transfer of fixed asset fund balances.

Document ID:

16. Analysis of movement in restricted funds

Group and Charity	Compassionate Sheffield Funding	Support a Nurse	SYICB Funding	NHS England Deanery Funding	Hospice UK – Capital Grant	Other	Total 2025
	£	£	£	£	£	£	£
Fund balance at 1 April 2024	172,722	-	-	-	-	-	172,722
Income	182,668	6,610	-	316,525	228,053	92,939	826,795
Expenditure	(183,490)	(6,610)	-	(316,525)	-	(11,889)	(518,514)
Transfers	-	-	-	-	(228,053)	(81,050)	(309,103)
Fund balance at 31 March 2025	**171,900**	-	-	-	-	-	**171,900**

Group and Charity	Compassionate Sheffield Funding	Support a Nurse	SYICB Funding	NHS England Deanery Funding	Hospice UK – Capital Grant	Other	Total 2025
	£	£	£	£	£	£	£
Fund balance at 1 April 2023	-	-	-	-	-	-	-
Income	326,142	6,912	500,000	251,869	-	50,238	1,135,161
Expenditure	(153,420)	(6,912)	(500,000)	(251,869)	-	(7,245)	(919,446)
Transfers	-	-	-	-	-	(42,993)	(42,993)
Fund balance at 31 March 2024	172,722	-	-	-	-	-	172,722

Document ID:

Compassionate Sheffield Funding

This is an initiative between St Luke's, Sheffield Public Health Directorate and SYICB to help those facing end of life issues.

Support a Nurse

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

SYICB Funding

SYICB has provided funding for the care of specific needs patients. This funding was spent on the costs of providing St Luke's nursing team in 2023-24.

NHS England 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 2024-25.

Hospice UK – Capital Grant

In December 2024, the government announced it would be providing an additional £100m of funding for adults' and children's hospices across England to be allocated over two years, being the financial years 2024-25 and 2025-26. The funding is designed to help hospices improve efficiency by investing in digital technology and increase capacity to care for patients at home. St Luke's received £228k of funding for the financial year 2024-25.

Document ID:

16. 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 2025 £
Funding for capital assets	**81,050**
Funding for revenue expenditure	**11,889**
	92,939

17. Reconciliation of net income to net cash flow from operating activities

	2025 £	2024 £
Net (expenditure)/income for the year before investment gains/(losses)	**(1,050,419)**	(645,657)
Return on investments	**(199,474)**	(208,269)
Depreciation charge	**228,281**	147,871
Loss on disposal of fixed assets	**(27,685)**	-
(Increase)/decrease in stocks	**(11,396)**	(5,739)
Decrease/(increase) in debtors	**(1,516,701)**	298,040
(Decrease)/increase in creditors	**178,093**	(391,214)
Net cash flow (used in)/provided by operating activities	**(2,399,301)**	(804,968)

18. Analysis of cash and cash equivalents

	At beginning of year £	Cashflow £	At end of year £
Cash at bank and in hand **(Note 10)**	**1,846,645**	**(1,198,032)**	**648,613**
Cash held as investments **(Note 8)**	**39,289**	**(38,845)**	**444**
	1,885,934	**(1,236,877)**	**649,057**

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19. Analysis of assets between funds

2025	Unrestricted funds	Designated funds	Restricted funds	Total 2025
	£	£	£	£
Tangible fixed assets	-	10,333,338	-	10,333,338
Investments	3,152,575	-	-	3,152,575
Current assets	3,706,959	675,011	171,900	4,553,870
Creditors: amounts falling within one year	(3,143,384)	-	-	(3,143,384)
	3,716,150	11,008,349	171,900	14,896,399

2024	Unrestricted funds	Designated funds	Restricted funds	Total 2025
	£	£	£	£
Tangible fixed assets	-	10,044,009	-	10,044,009
Investments	4,612,596	-	-	4,612,596
Current assets	2,312,253	1,738,830	172,722	4,223,805
Creditors: amounts falling within one year	(2,965,291)	-	-	(2,965,291)
	3,959,558	11,782,839	172,722	15,915,119

20. Related party transactions

No remuneration has been paid to any trustee (2024: £nil). No expenses have been paid to trustees (2024: £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 included within insurance costs.

During the year, a gift aid distribution totalling £13,571 (2024: £19,819) was received from St Luke's Options Limited. St Luke's Options Limited is 100% subsidiary of the charity. At the year end £13,714 was owed to the subsidiary and was included in other creditors (2024: debtor of £12,514).

Louisa Harrison-Walker, a Trustee, is also the Chief Executive of Sheffield Chamber of Commerce. The charity incurred expenses of £8,000 (2024: £8,000) to Sheffield Chamber Commerce in relation to annual Patron memberships and £nil (2024: £1,497) in relation to training courses.

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21. 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 superannuation scheme which provides benefits based on final pensionable pay. From 1st April 2022, all active members moved from the 1995/2008 scheme to the NHS Pension Scheme 2015. This scheme provides pensions for all members calculated on a CARE basis. The formula is not the same as that used for practitioners in the 1995 section and 2008 section, members with periods of service in more than one part of the scheme are eligible to receive a pension calculated under the provisions of the scheme applicable to those periods of service. The NHS Pension Scheme 2015 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 2020) was published in October 2023 and noted a notional deficiency of £40.9bn (12% of notional fund value). The employer's contribution rate increased from 14.38% to 20.68% from 1 April 2019. In the year ended 31 March 2025, the uplift continued to be funded by the Department of Health and Social Care.

The total employer contribution payable in 2024-25 was £92,679,92 (£72,206 for 2023-24). £7,492 was outstanding at the year-end (2024: £7,512). In addition employees who are members of the Scheme paid salary dependent variable contributions in the range 6.1% to 13.5%.

The scheme is subject to an accounting valuation each year at the balance sheet date by the Scheme Actuary. The Annual Report and Accounts 2022-23. These accounts can be viewed on the NHS Pensions website.

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

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

Group Personal Pension Scheme

Excluding those employees for whom St Luke's continue to make contributions to the NHS superannuation scheme, all other St Luke's employees are enrolled into the Group Pension Scheme arranged by Scottish Widows which they may opt out of at their request. St Luke's makes an employer contribution which matches the employees contribution within the parameters of the scheme. These pension funds are assets of the individual and St Luke's has no liability nor interest in the value of each fund. St Luke's contributions are released to the SOFA as they are incurred. Contributions made during the year were £376,354 (2024: £328,207). £29,161 was outstanding at the year- end (2024: £28,112).

Document ID:

21. 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 £17,364 (2024: £28,215). £942 was outstanding at the year-end (2024: £2,351).

22. St Luke's Options Limited

Profit and loss account

For the year ended 31 March 2025	**2025**	**2024**
	£	**£**
Turnover	**65,573**	62,490
Cost of sales	**(16,270)**	(15,535)
Gross profit	**49,303**	46,955
Administrative expenses	**(34,825)**	(33,384)
Retained profit for the year	**14,478**	13,571

Net assets at the year end were £14,481 (2024: £13,573). The principal activity of St Luke's Options Limited is to trade for the benefit of St Luke's.

23. 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 2025	**2025**	**2024**
	£	**£**
Incoming Resources	**14,483,175**	13,161,647
Resources expended	**(15,548,074)**	(13,820,875)
Net outgoing resources	**(1,064,899)**	(659,228)
Other recognised gains / (losses)	**112,979**	233,694
Net income	**(951,920)**	(425,534)
Impairment of fixed assets	**(81,280)**	-
Gain on revaluation of fixed asset	**-**	2,465,880
Net movement in funds	**(1,033,200)**	2,040,346
Total funds brought forward	**15,901,618**	13,841,453
Gift aid from subsidiary company	**13,571**	19,819
Surplus/(deficit) for the financial year	**(1,033,200)**	2,040,346
Total funds carried forward	**14,881,989**	15,901,618
Represented by:		
Unrestricted funds	**14,710,089**	15,901,618
Restricted funds	**171,900**	-
	14,881,989	15,901,618

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24. Agency arrangements

The charity acts as an agent in distributing ECHO and CoMPaSs project funds. In the accounting period ending 31 March 2025 the charity received £653,000 (2024: £271,707) and disbursed £178,372 (2024: £223,034) from the fund. An amount of £1,391,418 (2024: £916,790) is included in creditors for funds which are distributable to various ECHO projects and CoMPaSs. Payments are received for funds which are distributed to various partners. St Luke's is one of three ECHO Superhubs in the UK.

Document ID:

ST LUKE'S HOSPICE

England & Wales - Charity number 254402

Accounts

ST LUKE'S HOSPICE
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2024

Sheffield's Hospice

Charity registration number: 254402
Company registration number: 00922448

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ST LUKE'S HOSPICE

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2024

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ST LUKE'S HOSPICE

CHAIR'S REPORT 2023-24

Welcome

I am delighted to present the 2023-24 Annual Report and Financial Statements for St Luke's. It is my pleasure to start by giving tribute to several people.

Neil MacDonald OBE – Chair of the Board from September 2017 to December 2023

This is my first report since being honoured with taking over as Chair from Neil MacDonald who held the position for several years, having served as a Trustee since late 2012. Neil's wise leadership has been a beacon of inspiration for our charity, encouraging all with his vision and dedication. Leading the board with unwavering commitment for several years, he has left an indelible mark on our organisation. We wish Neil all the best in his future endeavours, confident that his talents will continue to make a positive impact wherever he goes. Neil remains a great supporter of St Luke's and we are delighted that he has agreed to be one of our Principal Patrons.

Peter Hartland – Chief Executive Officer from September 2009 to June 2024

Shortly after the financial year to which this report and the following accounts relate, our CEO of 15 years Peter Hartland took the decision to step down from leading the Executive Team and wider charity. Peter's tenure as CEO has been marked by many remarkable achievements, and we are profoundly grateful for the professionalism and leadership he brought to our charity. We wish him success and fulfilment as he embarks on the next stage of his career. Peter's legacy will continue to inspire us as we carry on the important work that he has championed over many years.

There have been many successes and milestones over the years in which Neil and Peter were such key leaders at St Luke's but some of the biggest are that the charity has thrived and flourished, it has deepened its impact, it has touched more lives, and it has always lived its values during their tenures.

Changes to the Trustee Board

I would like to give thanks to three Trustees who have recently stood down from the Board following the completion of their terms of office. Andrew Snelling, Sue Inglis and Laurence Gavin have provided challenge, support, humour and professional acumen over a combined 32 years of service on the Board of St Luke's and we are immensely grateful for the commitment, compassion and skill they demonstrated in their roles.

I would also like to welcome Kate Platts to the Board of Trustees and I look forward to working with her in the coming months and years.

Jo Lenton, New Chief Executive

Following an extensive national search exercise St Luke's appointed Jo Lenton to be our new Chief Executive. Jo commenced employment with St Luke's in 2008 as a Community Specialist Palliative Care Nurse, moving to the role of Manager for Community Nursing in 2016, Head of Community Nursing in 2017, before being appointed to Director of Care and Lead for Healthcare Partnerships in 2019, and subsequently appointed to Chief Nurse and Director of Care Services in 2023. Jo has a tremendous career track record with St Luke's and a wealth of knowledge and experience in palliative care that precedes her time with St Luke's, and which has most recently been further matured by her Master's Degree in Voluntary Sector Management at the City of London University in 2023. I look forward to working closely with Jo over the coming months and years.

Services

Hospice care eases the physical and emotional pain of death and dying. We look after people over 18 from across the Sheffield region, with all kinds of terminal illnesses, including end stage neurological, heart, kidney and lung conditions, cancer and HIV. Last year, we helped around 1,800 patients – some of who came to the hospice but many more were looked after at home by our team of community nurses, who help treat and alleviate pain, support and counsel and in some cases, help patients to die at home, if that's what they want. Most people want to die at home, and we help to enable that to happen if we can. Around 40% of all the people who die in Sheffield access St Luke's services towards

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the end of their lives. It's not just patients that we help either – we extend support, counselling and practical help to family members too.

Despite there being no material increase in our core contractual funding we accepted more referrals than the prior year, visited more patients in their own homes, had increased numbers of patient contacts, and continued the development our research and education agendas. Our social prescribing work at Ecclesall Road South continued to provide much needed support and therapy to many hundreds of people during the year and we delivered more educational ECHO sessions than ever before.

CQC

We had an unannounced inspection in early May 2024, but as at the date of this report we have not received the official outcome. However, feedback from the inspectors was very positive and we remain an 'Outstanding' provider of regulated healthcare services (please see Page 9 for further information).

Sustainability

We launched our first Eco-Store on The Moor in the heart of Sheffield city centre in the Summer of 2023 with its blend of Eco-conscious fashion through pre-loved, unique, curated looks. The year saw record sales across our shop chain and we will be opening a large new store on Kilner Way Retail Park later in 2024. As well as raising vital funds for patient care our retail operation enables the recycling of hundreds of thousands of pre-loved items.

We have been working hard to become a more sustainable organisation and have designated over £250,000 to continue this important work. Some of the steps we have taken so far have included replacing our lighting with LEDs and swapping our vehicles for electric options, as well as increasing our use of recycled materials. In the coming months we will be installing solar panels on our main hospice building at Little Common Lane and installing electric vehicle charging points in the main carpark.

Colleagues

We are blessed with around 280 committed and skilled staff members who work to continue and build on the legacy that St Luke's has developed for over 50 years. We take our responsibilities as a major employer in the city very seriously and have developed a number of initiatives to assist with our employee health and wellbeing. We also have a Board level commitment to Equality, Diversity and Inclusion and we employed our first dedicated EDI advisor in the year.

Volunteers

Our charity simply could not operate without our committed team of 800 volunteers who generously give their time and skills in many roles in our shop chain, at our Little Common Lane and Ecclesall Road sites, and in support of our community events. Almost 100,000 hours of volunteering were completed this financial year. This tremendous support was celebrated as many of our volunteers gathered together for a special ceremony to mark their achievements at the St Luke's Volunteer Long Service Awards where awards were given to volunteers in recognition of milestones ranging from five to 40 years with St Luke's. It was fantastic that the five longest serving volunteers were able to attend the ceremony, who between them had given 130 years of support for St Luke's.

Finances

We have recorded a deficit on normal operations of £0.5m and are budgeting for a similar level of deficit in the coming year. Our fundraising and retail income continues to grow in very competitive environments, but our costs are rising at a faster rate. The Board of Trustees are committed to investing as much of our reserves as possible into our front line services, and so we have continued to expand our fantastic team of doctors, nurses and other healthcare professionals. However, there has been considerable wage inflation in recent years, combined with the rising costs of maintaining our properties, and so our cost base has grown considerably. We have been able to sustain these cost and service delivery increases through a combination of fundraised income and charitable reserves, but looking to the future there should be an increase in our core contractual funding from the South Yorkshire Integrated Care Board. Depending upon which benchmark is considered, our core funding, which covers just 23% of our costs, is between £1m and £2m a year lower than our peers. If quality of care and access to specialist end of life and palliative care for those in need is to be

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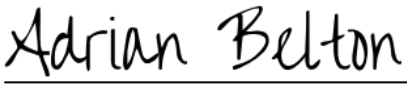
maintained as we cope with increasing complex cases and demographics, then this situation needs to be remedied in the coming months.

Strategy

Our 2024-2028 Strategy will be launched later in 2024. The key themes will be improving our care, Reaching further, Valuing our people, Embracing new thinking, Championing our cause and Sustaining growth. It is vital that we adapt and grow to face the challenges ahead while remaining true to our charitable purpose and core values, and our new strategy will provide a platform and a vision for the future of St Luke's.

Thank you

Thank you to all our supporters, volunteers, colleagues, donors, partners, patients, clients and families. You make St Luke's the fantastic charity that it is.



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Adrian Belton
Chair of the Board of Trustees
St Luke's Hospice, Sheffield
Date: 27/09/2024 GMT

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The Trustees present their report and the audited financial statements of the charity for the year ended 31 March 2024. 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 Trustees 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.

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.

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Strategy 2024-2028

St Luke's last strategic review of 2017 set our direction for the period to 2022. This, however, was interrupted by the Pandemic in 2020-22, which required a special strategy based on continuance of service delivery, team safety and organisational survival. During 2023, St Luke's continued its recovery from the Pandemic as an organisation, and concluded the 2017 strategy, which in most material aspects had achieved its purpose.

Since Summer 2023, the organisation has been working on the development of our Strategy 2024- 2028, working with its wider management group and Board to develop an approach responsive to the challenges and ambitions we see across the period to 2028. This includes an appreciation that demand will continue to grow given the ageing population, that complexity is likely to increase, that the move to more care in the community will only expand, and that the existing pressure on finances and resources is likely to be sustained.

In formulating the strategy, St Luke's has determined that there are none of the existing services that can be withdrawn as each is vital to its community of patients and clients, highly valued and in the eyes of service users is essential. Hence our strategy is directed as follows.

St Luke's will continue to deliver its current range of high-quality services, and will seek to expand upon these as resources allow, under the following six key themes:

- Improving our care
- Reaching further
- Valuing our people
- Embracing new thinking
- Championing our cause
- Sustaining growth

Each of these themes has three core objectives which will guide our action plans across the period.

St Luke's Board has reviewed the draft strategy and approved it for finalisation; it has subsequently been shared with employees and been out for consultation with key partners, including SYICB, Sheffield Healthwatch, Public Health, Sheffield Teaching Hospitals and others. The feedback received from these partners is now being considered so that a final version of the strategy can be received by St Luke's Board in September 2024 and formally approved. We are pleased that feedback received is very positive regarding the direction and ambition, and that the draft strategy is consistent with the outline SYICB end-of-life care strategy which was itself subject to consultation in January 2024.

A key element of the strategy is to help home-based patients suffering from end-of-life situations in a more significant way, as this is an area where there is a real need for additional support, particularly out of hours when patients and families can feel very much alone. We are also focusing on expanding our services, including those around social prescribing, and to the hard to reach communities and the under-served in Sheffield – and this will involve delivering some elements of our activity in other parts of the city. We look forward to sharing the final strategy with stakeholders later in 2024.

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. Care of patients with non-cancer illnesses has risen to 33% for the 2023-24 year from 32% last year.

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Overall, our clinical teams helped 1,762 individual patients (2022-23: 1,726), through 2,834 spells of care (2022-23: 2,591). The increase in spells of care reflects a growth in the number of outpatient clinic attendances in our Patient and Family Support (PAFS) service. The complexity, acuity and dependency of patients continues to show deterioration compared to previous years. The demand for St Luke's services remains extremely high and at times through the year the pressure on services reached a level where the ability to accept further cases became pressured. St Luke's role as a 'provider of last resort' for many crisis cases continues to support the healthcare system in the city.

During the year, St Luke's accepted 2,324 referrals into its services (2022-23: 1,945) – note that some individuals may be accepted through referral on more than one occasion in the year. Those not accepted into service had in some cases died before initial assessment, others declined St Luke's services and in a number of cases it was determined that St Luke's was not the appropriate care provider for their needs based on triage assessment. St Luke's investment in the triage process not only helps better manage our resources to focus on patients with specialist palliative care needs, but also allows patients not best suited to our services to quickly seek alternative support through their GP or healthcare professional.

It is vital that St Luke's cares for the wellbeing of its staff despite the pressures faced. Complex end of life care is emotionally draining, for the patient and their loved ones but also for the caring team. At St Luke's, we invest heavily in appropriate support for staff, from clinical supervision and opportunities for reflection to dedicated 'learning days' and extensive wellbeing support. During 2023-24, we've continued to focus on a number of important areas such as mental health, menopause and men's health, creating a culture where these issues can be raised and actively supported. We've introduced staff pulse surveys to help identify areas where we're doing well and those where we can do more.

St Luke's also offers special support to patients through our hardship fund, designed to assist those in financial need exacerbated by the cost-of-living crisis, which offers assistance for living costs and funding for special requirements where cases of real hardship are identified by our healthcare professionals. We're currently working with South Yorkshire Community Foundation (SYCF) to create a similar fund to support end of life patients in under-served parts of our community, which will allow a better targeting of assistance to those who might not otherwise access St Luke's services. We're excited at the prospect of this partnership.

As well as SYCF, we've engaged with a number of partner organisations in Sheffield to offer use of our facilities, and shared events and activities, to offer support to a wider number of groups – these include Age UK Sheffield (helping facilitate their weekly dementia wellbeing sessions), Alzheimer's Association, Breast Cancer Support, MNDA and The Manor and Castle Trust amongst others. St Luke's continues to partner with local universities, colleges, schools and healthcare services to offer work experience opportunities to a wide variety of disciplines.

St Luke's work with Global Cancer Care Alliance and Hospice Africa supports better palliative and end of life care in the developing world – part of our vision – through mutual support, funded secondments, and technology solutions. These opportunities give assistance to those in much less favourable circumstances than we enjoy, but also offer real development opportunities to our healthcare teams at St Luke's

During the year St Luke's provided the following services:

<u>Community team</u>

- In the year our teams made 6,583 (2022-23: 6,286) visits to patients at home and in care homes across Sheffield, and 14,475 (2022-23: 13,283) phone and video calls to them in support of their care
- St Luke's accepted 1,785 (2022-23: 1,663) referrals to our Community service from GPs and other healthcare professionals
- 26% (2022-23: 26%) of visits were to patients who required urgent care from our Intensive Treatment Team

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- St Luke's provided 424 specialist food and drink parcels and laundry packs to community patients, all free of charge

In Patient Centre

- 24 hour care and support by our team of specialist nursing, medical and health professional staff
- Over the last 12 months we cared for 285 (2022-23: 294) patients on our IPC
- We provided 4,494 (2022-23: 4,517) nights of care
- On average, each patient stayed at the IPC for 16 days with one third able to return home after specialist intervention treatment

Project ECHO

- St Luke's is a UK Superhub for the Project ECHO system, which facilitates tele-mentoring and collaborative learning for communities of care – covering end of life care and a wider portfolio of disciplines, including in the year the Oliver McGowan Training on Learning Disability and Autism across the whole of South Yorkshire ICB
- In the year, St Luke's delivered 263 ECHO sessions with a collective of 6,157 attendances for healthcare professionals and practitioners

Patient and Family Support service (PAFS)

- Over 6,200 attendances in the year, with 791 receiving clinical outpatient, clinic or day-patient support at Little Common Lane and 5,836 attendances to our Ecclesall Road South site for 'social prescribing' activities
- During the year, around 50 different activities were offered weekly across both sites, including physio/occupational therapy, medical assessment, intervention and clinics, wellbeing, fatigue anxiety and breathlessness group, movement-4-all, creative therapies, bathing, therapies through nature, indoor curling and bowls, Reiki, 'crafternoons,' seated Pilates, Tai Chi, laughter yoga, art club, singing group, knit and knatter, chair dancing, social work workshops, bereavement services – and much more.
- Activities are supported by staff plus 43 volunteers offering 152 hours per week of their time, including serving in the on-site café that opened in 2022 at Ecclesall Road South, for patients and families
- 378 relatives were supported with bereavement counselling and supported after the death of a loved one

Focus on – social prescribing, workforce and EDI

Social Prescribing at St Luke's

Our philosophy is that whilst specialist palliative and end-of-life care will always be the cornerstone of St Luke's services, in order to support quality of life for those affected by terminal diagnoses – of whatever type – then an additional range of services are required that are based on the personal, social and emotional needs of patients and families, rather than on their clinical needs which will change over time. That is where activities under the banner of 'social prescribing' come into their own.

St Luke's provides social prescribing activities from its site at Ecclesall Road South, which is ideally suited given its setting – a country house in beautiful grounds, presented as a home rather than as a clinical facility. The services offered are free of charge (except for the Café where contributions are welcomed but optional), and the whole facility is funded from charitable income. Clients access the services by referral, often from their GP or St Luke's Community Nurses, but can also contact St Luke's to self-refer if necessary. Voluntary and charitable groups are welcomed to use the facilities, as are groups supporting particular terminal health conditions.

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Across four days a week, clients are welcomed to St Luke's at Ecclesall Road South to participate in a range of activities, usually as part of an eight-week session (per referral). On average, around 26 referred clients attend per day across the year, excluding those attending from partner charities and voluntary groups, totalling 5,836 attendances in 2023-24. Where needed, clients are brought and returned home by community transport or taxis, at St Luke's expense (costing around £50,000 per annum to provide), to enable access by those with ambulatory problems or wishing to attend from remote areas.

Services are delivered by a small core staff group with around 40 volunteers attending in shifts each week, together with a number of bought-in services. The range of activities provided is extensive, including (in order of popularity): Crafternoon, indoor bowls, indoor curling, singing group, chair Pilates, chair-based dancing, Tai Chi, mat Pilates, board games, Gupshup club, Christmas party, knit and natter, Big Quiz, Zumba, art club, cookery, Yoga, mindfulness, complimentary therapy, garden group, confidence in beauty, fly fishing, Reiki, cinema club, pamper, spoken stories, footballer visits, and a wide variety of carer groups. In total, with other activities not recorded, there are 24 activities delivered in the service, plus access to the Café, house and gardens as a place of rest, relaxation and social engagement.

As can be seen, the sessions cover a range of needs – social interaction, advice, wellbeing and relaxation, therapies, mindful activities, and above all fun and engagement. The activities are accessible by a diverse client base, and some elements are especially delivered for ethnic groups - such as the Gupshup Club that provides an opportunity for social interaction for the Asian community, although the group has welcomed a wider ethic membership.

The social prescribing services are being routinely referred into by GPs and St Luke's is working to encourage more to become familiar with the offering so that their patients can benefit from something unique in Sheffield.

In terms of feedback, the most commonly used words associated with social prescribed services at St Luke's are: welcoming, helpful, kind, safe, love, laughter, fun and amazing. We believe that sharing in social prescribing at St Luke's can help the quality of life for these vulnerable patients and assist them with coping better with their conditions.

Equality, Diversity and Inclusion

Both workforce welfare and the EDI programme are high priorities for St Luke's, being reflected in the agendas, discussions and actions at Executive and Board level. The Board has a special working group of trustees who meet with managers and staff on a regular basis to discuss progress on the EDI programme and ambitions, and there are staff groups covering both welfare and EDI.

During the year, St Luke's has employed a full-time EDI Advisor whose role is to work with staff to address issues around the subject and to help make a cultural shift forwards. The Project Officer is building on foundation work which indicated, following an EDI staff survey, that 93% of St Luke's staff understood equality in the workplace, 72% believed that St Luke's champions and models inclusion, 92% would recommend St Luke's as an inclusive employer, but that 57% did not believe that St Luke's is particularly diverse in its workforce.

During the year the EDI Advisor, with support from the wider team, has engaged staff through a series of focused weeks of activity. Examples of the programmes delivered are as follows:

- Race Equality Week – a five day programme including daily challenges covering Microaggressions, Names, Different Cultures, A Culture of Belonging, and The Big Promise
- National Inclusion Week – including sessions on Unconscious Bias, Neurodiversity, and Trans and Gender Diverse identities
- Celebrations around national awareness days: Stress Awareness, Mental Health, Pride, Menopause Awareness, International Men's Day, Inter-Faith Week We continue to develop our EDI programme and will be assessing its impact later in the 2024-25 year.

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- With regard to employee wellbeing, we work on initiatives throughout the year to address generic and specific issues, such as: stress management, mental health, men's health, and menopause as examples. Supportive sessions and activities are planned through the year, and St Luke's pays for external providers to offer additional support through clinical supervision, coaching, and access to the Cavendish Centre and Westfield Health specialists.
- St Luke's undertook a Health and Wellbeing staff survey in March 2024, which gave the following organisational headlines:
    - Over 75% of respondents feel well supported both by St Luke's as their employer, and directly by their line manager
    - Around 50% of staff reported excellent personal Quality Account 2023-24 Quality Account 2023-24 Five pillars for EDI success Premises, infrastructure & equipment Employment practices Workplace culture Client, communities & contributors Employee-led activities workplace health & wellbeing, with around 15% reporting poor personal and workplace health & wellbeing
    - Employees have good understanding of St Luke's health and wellbeing benefits
    - 75% of respondents were interested in participating in health and wellbeing initiatives and activities in the workplace In responding to this survey and working in particular to address those with a poor score on personal and workplace health and wellbeing, the following plan has been formulated for the 2024-25 year to help support employees across the organisation.

<u>Employee Health and Wellbeing Programme</u>

Our Position: Introduction of quarterly online employee benefit sessions to ensure full understanding and awareness of the benefits we offer, delivered by the HR Team. Delivery of health focused staff groups e.g. Menopause & MHFA groups etc. We also commit to complete regular reviews of employee health & wellbeing benefits and to develop organisational health and wellbeing information, signposting and awareness/ educational communication.

Healthy eating: Introduction of quarterly healthy eating staff days, with one free healthy meal for each member of staff at Little Common Lane, Ecclesall Road South, and via a healthy hamper delivery to retail outlets, every quarter. Quarterly healthy eating days will also promote suggested recipes and seasonal tips coordinated by our Catering team.

Exercise: Introduction of a regular (weekly/ monthly) break-time Walking Group for Little Common Lane and Ecclesall Road South staff (timings to be rotated), coordinated by the People team.

Mental health: Introduction of quarterly Mental Health First Aider drop-in sessions for employees to attend. Coordinated by our EDI Advisor, and hosted both face-to-face and online by St Luke's team of MHFAiders.

Wellbeing days: Introduction of one day each quarter where we will offer a health and wellbeing session that is externally sourced to include for example, Mindfulness Session, Online Boot Camp, Mental Health Awareness, Stress Management techniques, yoga in the garden, financial wellbeing session and Sheffield College Pamper Days.

Care Quality Commission (CQC) oversight

St Luke's is required to register with the CQC given the nature of the services we offer to patients. Our registration was amended during the year at the request of the CQC and we are now registered under the following regulated activity category: the treatment of disease, disorder or injury.

During the year, St Luke's has not been the subject of inspection or visit by the CQC, although there has been regular monitoring through online and telephone meetings, in particular to introduce new inspectors to our services. In early May 2024, shortly after the year to which this report relates, we had an unannounced inspection, but as at the date of this report we have not received the official outcome. However, feedback from the inspectors was very positive

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Prior to this, St Luke's was last inspected by the CQC in October 2016 when inspectors paid an unannounced visit to assess compliance with the legal requirements and regulations under the Health and Social Care Act 2008. The CQC's report, published in January 2017 gave the following results below:

Overall rating for this trust	Outstanding
Is the service safe?	Good
Is the service effective?	Outstanding
Is the service caring?	Good
Is the service responsive?	Outstanding
Is the service well-led?	Outstanding

The full report can be viewed at: www.cqc.org.uk/location/1-108415043

Principal Risks and Risk Appetite

Risk appetite is the level of risk St Luke's is willing to take to achieve the charity's strategic objectives. The Board looks at the appetite for risk across a number of areas including reputational, financial, regulatory, innovation, people and governance. The Board acknowledges that St Luke's must engage with risks on a daily basis in order to carry out its charitable activities and raise funds; given the nature of the organisation we take a considered approach to the engagement of these risks.

Reputational Risks: St Luke's tolerance for risk taking is limited to those events where there is little chance of any significant repercussion for the charity which might harm the high regard within which it is held by the public, service users, and healthcare partners. Mitigation strategies are in place for any undue interest in any charitable, human resource or income generation activities.

Regulatory Risks: St Luke's operates within a highly regulated environment. We must have regard to all legal and regulatory requirements in order to minimise the risk of financial, operational and reputational damage that could threaten the charity's vital work. We have well developed systems of control that are regularly reviewed in order to ensure compliance and to minimise the incidence and scale of any unintentional breaches.

Financial Risks: St Luke's has a mature and well developed understanding of its financial situation and risks and ensures that it is appropriately skilled at both Executive and Trustee level. The maximum tolerable risk level is considered to be 'open' as resources are allocated to capitalise on opportunities, value and benefits are considered (not just cheapest price) and the possibility of financial losses are minimised through sound financial risk management. The reserves policy is regularly reviewed and underpins the charity's strategic and operational plans.

Innovation Risks: Innovation is supported and pursued where it is consistent with charitable objects and / or an improvement in efficiency and effectiveness. New technologies are seen as an aid to and potentially an enabler of operational delivery. There is a plan to grow our research breadth and profile. Quality and outcomes are continually monitored and new practices welcomed where there is a reasonable expectation of improvement in service delivery.

People Risks: St Luke's is a people organisation – our assets are our people and our services aim to improve the quality of life of our patients and their families. We take the wellbeing of our staff and volunteers very seriously. We aim to both attract and retain top talent across all areas of the charity. We take a cautious approach to risks relating to people: we model our approach on best practice and legislation and endeavour to provide the best possible working environment for all staff and volunteers. We provide this with the expectation that our people conduct themselves in line with our values.

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Governance Risks: It is imperative that as a charity that is primarily financed by donations and public money that we take all reasonable steps to ensure that we are well governed. While accepting that risk can never be completely eradicated, we aim to minimise the risks associated with the governance of our resources, whilst being agile to ensure optimum income generation and operational delivery. Throughout our systems and controls, our business continuity plans, our use of data and all our clinical and non-clinical operations we operate in a manner consistent with a minimal tolerance of risk and within robust governance frameworks.

Financial Overview, including income generation performance

Our total income for the financial year was £13.2m (2022-23 £11.5m). The following comprised the main variances:

- Legacy income received was £1.4m, up from £0.8m in the prior year, however it remains lower than our recent average. The main reason for this is the long probate delays which resulted in over £1.3m of notified legacy income not being included in the 2023-24 financial statements as it did not meet the recognition criteria of the Charities SORP without probate. These will be taken next year once probate has been granted.
- Fundraised income (excluding legacies) was £2.4m, compared to £2.5m in the prior year. It is a difficult time to fundraise for all hospices, and most charities, for a number of reasons such as the cost of living crisis, inflationary pressures on companies and households, giving fatigue following the pandemic and other socio-economic factors. To maintain our fundraised income was a good result and we are budgeting for a modest increase in the year ahead.
- Retail income from our chain of charity shops was £3.9m, up by nearly £0.5m from the previous financial year. These represent the highest sales that St Luke's has ever achieved from the retail chain. There was growth in sales across the chain and we opened our new shop on the Moor in Sheffield city centre during the year.
- Core contractual income from our commissioning body NHS South Yorkshire Integrated Care Board (ICB) increased from £3.1m to £3.2m. We also received non-repeating ad hoc funding from the ICB for specific initiatives and projects, such as a £500k grant for the work that we are doing with complex needs patients. Whilst these one-off grants are very helpful, at £3.2m our core contractual funding from the NHS represents just 24% of our total funding, 23% of our total expenditure, and contributes just 36% towards expenditure on IPC and community services. The 2024-25 financial year is the final year of the current contractual arrangement and we will be seeking a significant rebalancing of our core funding from the ICB, as the current contractual funding levels are inadequate in relation to the scale and quality of our clinical services. The contractual funding also benchmarks negatively against both national and local comparator hospice services by £1m to £2m per annum.

We spent more money running the charity than in the previous year:

- Our total expenditure for the year rose to £13.9m, up from £12.4m in the prior year. £1m of this increase was additional expenditure on our charitable activities (clinical costs and costs associated with education and research) and £0.4m more was spent on raising funds (primarily due to increased costs associated with the shop chain due to the new shop on the Moor and rising wages).
- Of the £13.9m, 86.2% were direct costs, with 13.8% being support costs. These are very similar percentages to prior years.
- Most of our costs relate to people. Staff costs were £9.5m, up from £7.8m in the prior year. Staff costs comprise two thirds of our total costs, which is to be expected given the nature of our organisation. There were significant inflationary pressure on wages in the year and St Luke's must pay competitive rates to attract and retain high performing people. We were able to offset much the impact of the large rise in pay through

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- increased income from self-generated income streams and one-off grants from the NHS but the situation is becoming unsustainable without a significant increase in our core contractual funding.

- We spent £0.4m from our designated funds. These are funds that the Board has earmarked for specific strategic projects.

The net effect of the shifts in income and costs summarised above is that we have recorded a net deficit in the year on normal operations £0.6m (2022-23 £0.8m).

As per the accounting rules we have recorded the movement in capital value of our investment portfolio. In the 2023-24 financial year this was an unrealised gain of £0.2m.

We have revalued our property assets, in line with our accounting policy, to reflect their most recent market valuation of 2024. This has resulted in a gain on revaluation of £2.5m. There is no overall revaluation gains as they are still held at more than historical cost in the financial statements.

The 'bottom line' position is an increase in total funds of £2.0m. However, this is only an increase due to the property revaluation gains. We need the properties that we own to carry out our charitable activities and to raise funds and so the £2.5m increase in value of the properties should not be seen as resulting in a large 'profit' in the year. The far more pertinent fact is that our day to day charitable operations have resulted in a £0.6m deficit. We are also budgeting for a similar level of deficit in the coming financial year. Due to a reasonably strong reserves base we can withstand deficits of this scale in the short term, however we must return to break-even or surplus in the near future.

Please note that for every £1 spent on fundraising, we generated £3.25 (2022-23 £2.87) and for every £1 spent on our charity shops, we generated £1.31 in income (2022-23 £1.35). These are both strong results that benchmark well against our peers as we continue to be the fundraising and retail leaders in the city of Sheffield.

Ethical fundraising statement

St Luke's fundraising promise to the general public and our existing supporters seeks to ensure that our fundraising, in all its forms, is legal, open, honest and respectful. Ethical fundraising demands more than what is merely required by law. St Luke's strives to go beyond its legal obligations and regulatory requirements to ensure the highest ethical standards in fundraising. Ethical fundraising is not only a vital means of financing St Luke's, but also protects and enhances its reputation within the community. Fundraising will also comply with St Luke's working values, to ensure that fundraising work is dignified, compassionate, inspired, and pioneering.

Fundraising and complaints

- 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 support the promotion of our Lottery and other income generating campaigns 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.

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- We are organisational members of the Institute of Fundraising, Hospice Lotteries Association and The Lotteries Council. All Fundraising Team members attend mandatory training sessions which include 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 receive regular/annual training on the Fundraising Code and best practice.

- 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 and Communications Teams, ensuring that it is not unreasonably intrusive or persistent. All marketing material compliant with data protection legislation and contains clear instructions on how a person can be removed from mailing lists.

- Looking ahead to the coming year, St Luke's is committed to following our ethical fundraising practices and alignment with the Fundraising Code of Practice, particularly in our collaboration with external canvassing companies for increasing our lottery acquisition campaigns. Our due diligence includes ongoing monitoring and evaluation to ensure adherence to our high ethical standards and to ensure their values align with our own when interacting with the public across the city. By responsibly leveraging the expertise of these canvassing companies, we aim to expand our reach and increase lottery participation, thereby generating essential income for our work.

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.

	Standard Criteria
Objective	*'Balanced' return between income and growth*
Risk	*Medium*
Mandate	*Discretionary*

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

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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.

The portfolio underperformed the Strategic Benchmark over the Total Review Period (Q1 2021 to Q1 2024) by c.2.9% on an annualised basis. However, the portfolio outperformed its peers as measured by the ARC Sterling Balanced Asset PCI Index by +0.6% p.a, although slightly underperformed peers as measured by the ARC Balanced Charity Index. As such the Trustees assess the recent investment performance to be adequate.

Ethical Investment Policy

St Luke's is a values led charity that takes a responsible approach to environmental, social and governance (ESG) issues in regard to investments.

We have appointed professional Investment Managers (Rathbones) to act on behalf of St Luke's, who are expected to consider ESG factors in all investments made with our funds and in particular:

- Not directly invest St Luke's funds in any company that carries out activities that are contrary to the aims and objectives of the charity or that could damage the charity's reputation.

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- Not directly invest in any company with which it would be reasonable to hold significant ESG concerns and undertake appropriate due diligence of all companies before investing.
- When investment is undertaken via collective units (unit and investment trusts) it is expected that Investec will engage with the appointed fund managers on matters of corporate governance and that an integrated ESG approach that follows Investec's 'A.P.P.R.O.V.E.D' investment process for pooled funds be applied to all collective units purchased with St Luke's funds.

Through the appointment of independent professional Investment Managers we believe that we have taken all reasonable steps to minimise indirect investment in sectors contrary to the aims and objectives of the charity, that could damage the charity's reputation, or in companies that fall below the high ESG standards within which we aspire our portfolio to be invested. We are mindful that in spite of the good intentions of this policy, it is possible that indirect investment of this nature may be made, however it should never be material in relation to the aggregate of the St Luke's investment portfolio.

St Luke's commitment as a result of the application of this policy is that we will invest an increasing proportion of the portfolio in stocks and funds that have a positive ESG impact.

The objectives are to be achieved by investing prudently in a broad range of fixed interest securities and equities which are quoted on a Recognised Investment Exchange and unit trusts and OEICs (open ended investment companies) which are authorised under the Financial Services and Markets Act 2000.

Reserves policy

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, our infrastructure and strategic projects. We consider that the most useful measure of reserves is the level of cash held at bank and as investments that can be readily converted to cash. We have reviewed our reserves policy during the financial year and this new policy represents a dynamic risk-based approach that considers the financial stability of St Luke's as well as longer term strategic opportunities and risks the charity faces, the different reasons for holding money, and looks to build a target range based on holding these reserves in aggregate, as follows:

- **Operational reserves** – the minimum level of cash to be held at all times for immediate working capital needs (such as paying the monthly wages). This is currently estimated as a minimum of £0.5m

- **Base reserves** – the minimum level of cash to be held at all times, in addition to operational reserves, in order to cover statutory or associated liabilities should we need to undertake a major restructure, or should we lose a key income stream, in order to help mitigate the financial risk to the charity. We estimate this to be £1.5m, which could be held as cash at bank or as investment funds, or a combination of the two.

The cumulative value of the above elements gives **a platform of c. £2.0m**. We then build on this with potentially more variable elements:

- **Investment reserves** – these reflect the level of funds needed, in excess of those above, to provide the charity with the level of income included as 'investment income' within its financial projections – based on estimated return rates. This may vary but is currently considered to be £2.5m. This will be reviewed by the Board of Trustees each year.

- **Opportunity reserves** – the final element of reserves held to provide medium and longer term resources to take on new opportunities or to deal with known issues and emerging risks. The level will fluctuate based on

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- financial performance and strategic requirements and will be assessed annually by the Board. We anticipate a range of between £1m and £4m depending on where we are in the cycle of expenditure into new opportunities. Major capital projects and significant designated fund spend would fall into the category of money spent from these opportunity reserves.

- **Total reserves** – based on the above reserves categories, using a cumulative methodology, the Board considers the need for a target range of total cash and investments reserve of £5.5m to £8.5m.

In additional to this range of cash and investment reserves, the Board also holds a policy in regards to designated funds, restricted funds, and free reserves, as follows:

- 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.

- St Luke's **restricted reserves** policy is that when necessary and legally required we will hold restricted funds.

- The level of **free reserves** held will be directly related to the level of cash and investment reserves, less the tangible fixed assets held, plus the longer term proportion of designated funds. As the level of cash and investment reserves is within a range, and as the level of designated funds and their spend profile will be different each year, it is appropriate to set a range for free reserves too. Therefore, St Luke's free reserves policy is to have free reserves in the range £4.5m to £7.5m.

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 Trustees 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 2024, St Luke's identified a total of £11.8m of its reserves as designated funds, summarised as follows:

- The **Research and Education** fund of ***£210k*** 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 **Environment and Sustainability** fund is held to provide investment to enable St Luke's aspirations to de-carbonise and become a more environmentally sustainable organisation. A number of initiatives are underway with a programme of activity planned over the next three years. ***£255k*** has been allocated to this fund.
- The **Strategic** fund combines a number of important strategic initiatives including c. £100k to support initiatives around Equality, Diversity and Inclusion. ***£305k*** has been allocated to this fund.
- The **IT and Digital Transformation fund** is held to unify and streamline our clinical systems, to improve analytics and use of data, to advance the digital readiness and maturity of our non-clinical systems, and to enable essential investment in our IT infrastructure and estate. ***£620k*** is designated to this fund.
- The **Lottery Development** fund is held for investment in canvassing and other marketing activity over the next two years. **£350k** has been designated for these purposes.
- The **Fixed Asset** fund has been created to recognise the fact that our fixed assets do not form part of our general or free reserves. We own considerable property assets that are required in order to carry out our

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- charitable activities. This fund will total the net fixed asset values in the financial statements each year. As at 31 March 2024 this value was **£10m.**

Taking account of the expected usage of each fund in 2024-25 as noted above, a total of £0.6m of designated funds are expected to be spent in the period to 31 March 2025, with £1.2m expected to be spent in the period 2025-27. The £1.2m will therefore be classified as part of the free reserves of the charity as it could be undesignated in future years. However, the fixed asset fund of £10m is not part of free reserves as these assets cannot be readily converted to cash and are required for the long term operation of the charity.

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.

Reserves at 31 March 2024

Cash at bank at 31 March 2024 was £1.8m and fixed asset investments that could readily be converted to cash were £4.6m. ***The total of cash and investments reserves was therefore £6.4m*** *(2023: £7.7m)*. This is within the target range of £5.5m to £8.5m.

At 31 March 2024 St Luke's held £15.92m in total reserves (2023: £13.86m). Of this we have identified a total of £11.8m (2023: £1.75m) as designated funds. Of the £11.8m, £10.0m is in the newly created fixed asset designated fund. The fixed assets have been newly designated in the year in order to better reflect the fact that we require these assets (mostly property) to conduct the charitable operations, and so it is a bit misleading to consider them as part of our general funds.

Of the other designated funds of £1.8m, the spend against these activities is anticipated to occur over the next three 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 2025 (i.e. after more than one year) should remain in free reserves – this amount is estimated to be £1.2m.

Of the total reserves held, £5.1m were held as free reserves (2023: £6.4m) being the total of general funds (£3.9m), plus the longer-term portion of designated funds (£1.2m). This is within the target range of £4.5m to £7.5m.

Going Concern

The 2023-24 financial statements have been prepared on a going concern basis. Whilst we have recorded net expenditure in the financial year our underlying operational performance was better than budgeted and the net expenditure included planned strategic spend of elements of our reserves through designated funds. The revaluation gain on our fixed assets to market value resulted in the overall position being a positive net movement in funds of £2.1m. We have a strong asset base and are likely to see further planned deficits over the next two years as part of the plan to spend our designated funds within the parameters of our reserves policy. 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.

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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.

The Executive Team is supported by a clear and accountable organisation structure through the Operational Leadership Team which includes Heads of Department and Senior Managers. 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, South Yorkshire Integrated Care Board ('SYICB'), and many others. This brings particular requirements for its senior staff, including the need to meet particular 'Fit and Proper Persons' criteria as specified in healthcare regulations.

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

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.

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The following employees served in St Luke's Executive Team:

Name	Role	Length of Service at St Luke's / in role	Qualifications	Governance Support Lead
Peter Hartland – resigned 20 June 2024	Chief Executive Officer	16 years, 14 years in role	BSc (Hons) ACA – Associate of The Institute of Chartered Accountants in England and Wales	Board of Trustees; Nominations and Remuneration Committee
Jo Lenton	Chief Nurse and Director of Care Services; incoming Chief Executive Officer	15 years, 5 years in role	Registered Nurse, BA (Hons) Supportive & Palliative Care	Healthcare Governance Committee
Kathryn Burkitt	Commercial Director	15 years, 7 years in role	BA (Hons) MInstF	Resource and Finance Committee
Tony Saunders	Director of Finance and Chief Operating Officer	14 years, 9 years in role	BA (Hons) FCA – Fellow of The Institute of Chartered Accountants in England and Wales	Audit and Risk Committee
Sam Kyerematenq (1)	Medical Director and Clinical Lead for Programme Development	11 years' service and in role	MBChB MRCP Dip, PallMed	Research Committee
Katie Weller	Director of People and Wellbeing	2 years' service, appointed director 1 April 2024	BA (Hons) MCIPD	Nominations and Remuneration Committee (from 1 April 2024)

(1) *Dr Kyerematenq'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.*

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.

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The Board commissioned an independent governance and board effectiveness review during 2022 with DigiBoard consultants which concluded that "St Luke's is an extremely well-run charity which scores very highly, both in absolute terms and by comparison to benchmarks". Following this independent review which reported that the Board and Executive work effectively together with a high level of performance, the limited actions identified have been worked on and progressed, with particular progress in EDI and succession planning.

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).

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.

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 of 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.

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.

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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.

Section 172(1) statement

The Trustees are aware of their duties and have mechanisms in place to ensure they comply with the matters outlined in section 172(1) of the Companies Act 2006. This includes ensuring that any decisions that may have a long-term influence on the success of the Charity require, at a minimum, a full risk assessment and business case appraisal. Trustees regularly engage with the Executive team and senior staff members through formal Board and Committee meetings at which risk assessments and business cases are considered in respect of all major decisions that could have a long-term influence on the Charity.

The Trustees are aware of their duties to inform all regulatory bodies of any areas of concern. Regular submissions are made South Yorkshire Integrated Care Board, the Care Quality Commission, the Information Commissioners Office, the Gambling Commission and other regulatory bodies. All areas of compliance are reported to the relevant sub-committee of the Board and an annual statement of compliance with all laws and regulations is received by the full Board. Trustees attend any ad hoc meetings required in respect of regulatory compliance and investigation and they consider whether any concerns should be submitted to the Charity Commission under the Reporting of Serious Incidents (RSI) process.

The Board receives feedback from staff and people we support through surveys, monitoring of complaints, compliments, and incidents, attendance at service user forums (where appropriate) and Patient Safety Leadership Walkrounds. Trustees also regularly attend a variety of public events that St Luke's hold throughout each year and interact with staff, volunteers, supporters and general public. They attend shop openings and celebrations, volunteer long-service awards, services of remembrance and other key events.

The Trustees monitor financial performance in detail at the Resource and Finance Committee and in a more summarised format at full Board meetings. Financial controls and the application of ethical terms of business are monitored through the Resource and Finance and the Audit and Risk Committees. Committees and Working Groups of the Board have the opportunity to meet with professional advisors to seek feedback on specific risk areas of the Charity and its responsiveness to regulatory and legal compliance matters.

The Charity has ethical fundraising and investment policies in place and adherence to these is monitored through Committees and Working Groups. We have an Environmental and Sustainable Practices Group which is a working group comprising members of the Board, the Executive Team and key staff which has oversight of our various initiatives that help St Luke's to be an environmentally sustainable organisation.

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Public benefit statement

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.

Environmental Impact and Sustainability statement

St Luke's is a charity that is all about caring. Just as we care for people, we also care for our environment, our neighbours and our impact on society.

As our journey to be a better organisation continues, we aspire to reduce the negative impact we have on our environment and to improve and grow the positive impact we have on our neighbourhood and society. We'll do this by developing our philosophy, improving our awareness and understanding, seeking best practice and establishing action plans to make improvements – seeking outcomes that can be measured against appropriate benchmarks and charters. We'll report our progress and celebrate our successes – and work harder on things that are difficult to achieve. By doing these things we'll demonstrate that we are a responsible citizen and we'll enhance sustainability for ourselves and those around us.

St Luke's recognises that this is a long-term journey with significant resource implications, and that we cannot change overnight. But our commitment is clear and we'll work as a team, and with partners, to combine big-ticket actions with small positive steps to progressively achieve our goal of a greener, more energy-efficient, and sustainable St Luke's in tune with our environment and community.

In 2023 we appointed an experienced Environmental Projects Officer on a two year contract to help us progress our various environmental and sustainability initiatives.

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.

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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.

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 President	Alex Pettifer MBE (until 31 December 2023)

Executive Team

Peter Hartland (resigned 20 June 2024)
Chief Executive (Company Secretary until 8 May 2024)

Kathryn Burkitt
Commercial Director

Dr Sam Kyerematenge
Medical Director and Clinical Lead for Programme Development

Jo Lenton
Chief Executive and Chief Nurse (appointed 20 June 2024)

Tony Saunders
Director of Finance and Chief Operating Officer (Company Secretary from 8 May 2024)

Katie Weller
Director of People and Wellbeing (appointed 1 April 2024)

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Board of Trustees

Adrian Belton
Chair of the Board of Trustees (From 11 December 2023). Ex-officio member of: the Healthcare Governance Committee, the Resource and Finance Committee, the Clinical Research and Development Committee, the Nominations and Remuneration Committee and the Audit and Risk Committee (from 11 December 2023)

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

Steve Ned
Chair of the Nominations and Remunerations Committee and member of the Healthcare Governance Committee

Angus Ridge
Chair of the Resource and Finance Committee and member of the Healthcare and Governance Committee and the Nominations and Remuneration Committee

Amy Stanbridge
Chair of the Audit and Risk Committee and member of the Nominations and Remuneration Committee

Professor Jon Wadsley
Chair of the Clinical Research and Development Committee and member of the Healthcare Governance Committee

Dr Mark Durling
Member of the Healthcare Governance Committee and the Resource and Finance Committee

Louise Edwards-Holland
Member of the Resource and Finance Committee and the Clinical Research and Development Committee

Shelley Garlington (resigned 31 July 2024)
Member of the Resource and Finance Committee

Professor Diana Greenfield
Member of the Clinical Research and Development Committee

Louisa Harrison-Walker
Member of the Resource and Finance Committee

Nicola James
Member of the Healthcare Governance Committee and the Clinical Research and Development Committee

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Dr Suvira Madan
Member of the Healthcare Governance Committee, the Clinical Research and Development Committee and the Audit and Risk Committee

Martin McKervey
Member of the Resource and Finance Committee and the Audit and Risk Committee

Dr Kathryn Platts (appointed 11 December 2023)
Member of the Resource and Finance Committee and the Audit and Risk Committee

Neil MacDonald (resigned 11 December 2023)
Chair of the Board of Trustees (to 11 December 2023). Ex-officio member of: the Healthcare Governance Committee, the Resource and Finance Committee, the Clinical Research and Development Committee, the Nominations and Remuneration Committee and the Audit and Risk Committee (to 11 December 2023)

Laurence Gavin (resigned 11 December 2023)
Member of the Resource and Finance Committee

Susan Inglis (resigned 11 December 2023)
Chair of the Healthcare Governance Committee and member of the Nominations and Remunerations Committee and the Audit and Risk Committee

Andrew Snelling (resigned 18 March 2024)
Chair of the Resource and Finance Committee and Honorary Treasurer; member of the Nominations and Remuneration Committee

Professor Sarah Thomas (deceased 18 May 2023)
Chair of the Resource and Finance Committee and Honorary Treasurer; member of the Nominations and Remuneration Committee

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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 Principal Patrons are:

Hugh Facey OBE & Mrs Frances Facey
Neil MacDonald OBE
Ruth Wilkes (daughter of our Founder, Professor Eric Wilkes OBE)

The President's Award

President's award recipients:	Sue Inglis, 2024
	Helen Bacon, 2024
	Alex Pettifer MBE, 2024
	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, which was presented for HM The Queen by HM Lord-Lieutenant of South Yorkshire in 2019

Bankers	Svenska Handelsbanken AB (publ) Seventh Floor 3 St Paul's Place 129 Norfolk Street Sheffield S1 2JE
	Barclays 2-10 Pinstone Street Sheffield S1 2HN
Solicitors	Knights plc Commercial House 14 Commercial Street Sheffield S1 2AT

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	Freeths Fifth Floor 3 St Paul's Place 129 Norfolk Street Sheffield S1 2JE
	Hemingways Solicitors Limited 11 Westbourne Road Sheffield S10 2QQ
	DAC Beachcroft St Pauls House 23 Park Square South Leeds, LS1 2ND
Auditors	BHP LLP 2 Rutland Park Sheffield S10 2PD

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 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.

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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.

Auditor

In accordance with the company's articles, a resolution proposing that BHP LLP be reappointed as auditor of the company will be put at a General Meeting.

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 23 September 2024.

Adrian Belton

Signer ID: XYR05JWPND...

Adrian Belton

Chair of the Board of Trustees

Angus Ridge

Signer ID: 7YQHQGMRZ1...

Angus Ridge

Chair of Resource and Finance Committee

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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 2024 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 2024 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 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 annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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Auditor 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 charities 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.

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

- 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: www.frc.org.uk/auditorsresponsibilities. 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.

BHP LLP

Signer ID: CRZCVPKXXZ...

Laura Masheder (Senior Statutory Auditor)
For and on behalf of BHP LLP, Statutory Auditor

2 Rutland Park
Sheffield
S10 2PD
Date: 03/10/2024 GMT

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ST LUKE'S HOSPICE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)
YEAR ENDED 31 MARCH 2024

	Note	Unrestricted funds 2024 £	Designated funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Unrestricted funds 2023 £	Designated funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Income from:									
Legacies and donations		**2,534,376**	-	**57,155**	**2,591,531**	1,976,556	-	51,674	2,028,230
Other trading activities:									
Special events and sundry sales		**358,107**	-	-	**358,107**	424,041	-	-	424,041
Charity shops		**3,872,838**	-	-	**3,872,838**	3,409,877	-	-	3,409,877
Lottery income		**799,603**	-	-	**799,603**	851,774	-	-	851,774
Education and research		**374,498**	-	-	**374,498**	388,863	-	-	388,863
Other income		**306,896**	-	-	**306,896**	441,912	-	-	441,912
Investment income	**2**	**208,269**	-	-	**208,269**	127,947	-	-	127,947
Charitable activities									
SYICB Contract		**3,216,200**	-	-	**3,216,200**	3,122,398	-	-	3,122,398
Subsidy of medicine & drugs costs		**90,747**	-	-	**90,747**	96,040	-	-	96,040
Other grants		**327,446**	-	**578,006**	**905,452**	455,001	-	191,332	646,333
ICB complex needs funding		-	-	**500,000**	**500,000**	-	-	-	-
		12,088,980	-	**1,135,161**	**13,224,141**	11,294,409	-	243,006	11,537,415
Expenditure on:									
Raising funds									
Legacies and donations	**3**	**483,726**	**3,513**	-	**487,239**	406,651	1,753	-	408,404
Special events and sundry sales	**3**	**325,375**	**3,448**	-	**328,823**	386,036	1,720	-	387,756
Charity shops	**3**	**2,957,095**	**2,212**	-	**2,959,307**	2,509,299	1,104	-	2,510,403
Lottery prizes and expenses	**3**	**338,300**	-	-	**338,300**	356,110	-	-	356,110
Investment management fees	**3**	**24,429**	-	-	**24,429**	24,169	-	-	24,169
Total		**4,128,925**	**9,173**	-	**4,138,098**	3,682,265	4,577	-	3,686,842

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ST LUKE'S HOSPICE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)
YEAR ENDED 31 MARCH 2024

	Note	Unrestricted funds 2024 £	Designated funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Unrestricted funds 2023 £	Designated funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Expenditure on:									
Charitable activities									
Inpatient care	**3**	**4,719,505**	**180,595**	**760,951**	**5,661,051**	4,946,086	159,935	158,379	5,264,400
Medicine & drugs costs	**3**	**90,747**	**-**	**-**	**90,747**	96,040	-	-	96,040
Early support for terminal illness	**3**	**151,914**	**3,253**	**-**	**155,167**	162,003	1,623	12,000	175,626
Integrated community care services	**3**	**2,914,669**	**166,782**	**158,495**	**3,239,946**	2,515,539	159,935	48,883	2,724,357
Education and research	**3**	**583,423**	**1,366**	**-**	**584,789**	438,119	682	-	438,801
Total		**8,460,258**	**351,996**	**919,446**	**9,731,700**	8,157,787	322,175	219,262	8,699,224
Total expenditure		**12,589,183**	**361,169**	**919,446**	**13,869,798**	11,840,052	326,752	219,262	12,386,066
Net income / (expenditure)	**6**	**(500,203)**	**(361,169)**	**215,715**	**(645,657)**	(545,643)	(326,752)	23,744	(848,651)
Gains/(losses) on investments									
Realised and unrealised gains/(losses) on investments		**233,694**	**-**	**-**	**233,694**	(287,235)	-	-	(287,235)
Gain/(loss) on revaluation of fixed assets	**7**	**-**	**2,465,880**	**-**	**2,465,880**	(131,471)	-	-	(131,471)
		233,694	**2,465,880**	**-**	**2,699,574**	(418,706)	-	-	(418,706)
Net (expenditure)/income		**(266,509)**	**2,104,711**	**215,715**	**2,053,917**	(964,349)	(326,752)	23,744	(1,267,357)
Transfer between funds	**15/16**	**(7,885,135)**	**7,928,128**	**(42,993)**	**-**	(253,008)	276,752	(23,744)	-
Net movement in funds		**(8,151,644)**	**10,032,839**	**172,722**	**2,053,917**	(1,217,357)	(50,000)	-	(1,267,357)
Funds balance at 1 April 2023		**12,111,202**	**1,750,000**	**-**	**13,861,202**	13,328,559	1,800,000	-	15,128,559
Funds balance at 31 March 2024	**15/16**	**3,959,558**	**11,782,839**	**172,722**	**15,915,119**	12,111,202	1,750,000	-	13,861,202

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ST LUKE'S HOSPICE

BALANCE SHEET

31 MARCH 2024

		GROUP		CHARITY	
		2024	2023	2024	2023
	Note	£	£	£	£
Fixed assets					
Tangible assets	7	**10,044,009**	6,857,728	**10,044,009**	6,857,728
Investments	8	**4,612,596**	4,379,676	**4,612,670**	4,379,750
		14,656,605	11,237,404	**14,656,679**	11,237,478
Current assets					
Stock – goods for resale		**84,648**	78,909	**84,648**	78,909
Debtors	9	**2,292,512**	2,590,552	**2,292,512**	2,668,432
Cash at bank and in hand	10	**1,846,645**	3,310,842	**1,845,584**	3,213,139
		4,223,805	5,980,303	**4,222,744**	5,960,480
Creditors: amounts falling due within one year	11	**(2,965,291)**	(3,356,505)	**(2,977,805)**	(3,356,505)
Net current assets		**1,258,514**	2,623,798	**1,244,939**	2,603,975
Total assets less current liabilities		**15,915,119**	13,861,202	**15,901,618**	13,841,453
Charity Funds					
General funds	15	**3,959,558**	12,111,202	**3,946,057**	12,091,453
Designated funds	15	**11,782,839**	1,750,000	**11,782,839**	1,750,000
		15,742,397	13,861,202	**15,728,896**	13,841,453
Restricted funds	16	**172,722**	-	**172,722**	-
Total charity funds -		**15,915,119**	13,861,202	**15,901,618**	13,841,453
Including investments revaluation reserve (£117,700 (2023: £101,289))					

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 £2,040,346 (2023: deficit £1,287,176).

The financial statements were approved and authorised for issue by the Board on 23 September 2024

Board of Trustees

Adrian Belton

Signer ID: XYR05JWPND...

Adrian Belton
Chair of the Board of Trustees

Angus Ridge

Signer ID: 7YOHQGMRZ1...

Angus Ridge
Chair of Resource and Finance Committee

The notes on pages 37 to 58 form part of these financial statements.
Company registration number: 00922448

Document ID: 2643e84fa621225e95383be1131844e24d7f8b67a73ee70f0affae1bc3558a3b

ST LUKE'S HOSPICE

CONSOLIDATED STATEMENT OF CASH FLOWS

31 MARCH 2024

	Note	2024		2023	
		£	£	£	£
Net cash flow (used in)/provided by operating activities	**17**		**(804,968)**		127,432
Cash flows from Investing activities					
Interest received	**2**	**72,651**		24,682	
Dividends received	**2**	**135,618**		103,265	
Purchase of tangible fixed assets	**7**	**(868,272)**		(361,078)	
Proceeds from sale of fixed assets		**-**		193	
Purchase of investments	**8**	**(1,856,567)**		(850,799)	
Proceeds from sale of investments	**8**	**1,777,904**		216,914	
Net cash flow from investing activities			**(738,666)**		(866,823)
Decrease in cash and cash equivalents in the year			**(1,543,634)**		(739,391)
Cash and cash equivalents as at 1 April 2023	**18**		**3,429,568**		4,168,959
Cash and cash equivalents as at 31 March 2024	**18**		**1,885,934**		3,429,568

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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 2023-24 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 2024-25 financial year anticipate a deficit due to significant inflationary pressures on wages and other costs. 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 for the next 12 months following approval of these financial statements.

(c) Basis of consolidation

The consolidated accounts include the accounts of St Luke's Hospice 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 £2,040,346 (2023: deficit £1,287,176). The summary financial performance of the charity alone is disclosed in note 23. The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only statement of cash flows in the consolidated financial statements.

(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.

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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) South Yorkshire Integrated Care Board

Income represents grants receivable from the South Yorkshire Integrated Care Board (SYICB) 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.

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(vii) Special events and sundry sales income

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

(viii) Dividends

The charity was gifted shares in a private limited company, the gifted shares have no voting rights, however they do have entitlement to dividends. The shares cannot be valued as they are not held on a listed investment stock exchange and cannot be transferred or exchanged. The dividends are recognised on a receivable basis.

(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.

Expenditure on raising funds includes all expenditure incurred by the group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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.

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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 charged to the SoFA as they are incurred.

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(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) 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.

(q) Agency arrangements

The charity acts as an agent in distributing funds in relation to various ECHO projects and CoMPaSs. Payments are received for funds which are distributed to various partners. St Luke's is one of three ECHO Superhubs in the UK.

The funds are excluded from the statement of financial activities as the charity does not have control over the charitable application of the funds. The funds are received and paid and any balances held are disclosed in note 24.

(r) Critical accounting estimates and areas of judgement

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

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

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.

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i. Donated stock
Donated stock is valued based on post year end sales and stock turnover.

ii. Property valuations
Freehold land and buildings and long leasehold land and buildings are included at fair value, impairment reviews are considered annually.

iii. Legacy accrued income
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 at the year-end date.

2. Income from investments

	2024	2023
	£	£
Dividends and interest	**135,618**	103,265
Bank interest	**72,651**	24,682
	208,269	127,947

Income from investments in both years is unrestricted.

3. Analysis of expenditure

	Direct costs	**Support costs**	**Total 2024**	Total 2023
	£	**£**	**£**	£
Raising funds				
Legacies and donations	**367,346**	**119,893**	**487,239**	408,404
Special events and sundry sales	**245,767**	**83,056**	**328,823**	387,756
Charity shops	**2,867,890**	**91,417**	**2,959,307**	2,510,403
Lottery prizes and expenses	**280,721**	**57,579**	**338,300**	356,110
Investment management costs	**24,429**	**-**	**24,429**	24,169
	3,786,153	**351,945**	**4,138,098**	3,686,842
Charitable activities				
Inpatient care	**4,772,950**	**888,100**	**5,661,050**	5,264,400
Medicine and drugs	**90,747**	**-**	**90,747**	96,040
Early support for terminal illness	**119,543**	**35,624**	**155,167**	175,626
Integrated community care services	**2,691,539**	**548,407**	**3,239,946**	2,724,357
Education and training	**494,088**	**90,702**	**584,790**	438,801
	8,168,867	**1,562,833**	**9,731,700**	8,699,224
Total	**11,955,020**	**1,914,778**	**13,869,798**	12,386,066
2023 Total	10,725,606	1,660,460	12,386,066	

Included within support costs are governance costs of £125,315 (2023: £98,937) which are detailed in note 4.

Support costs totalling £1,914,778 (2023: £1,660,460) 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.

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4. Governance costs

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Strategic management	**98,884**	**-**	**98,884**	79,327
Legal, professional and support costs	**26,431**	**-**	**26,431**	19,610
	125,315	**-**	**125,315**	98,937
2023 Total	98,937	-	98,937	

5. Employment costs

	2024 £	2023 £
Staff costs		
Wages and salaries	**8,253,200**	6,826,042
Social security costs	**774,540**	642,350
Pension costs	**428,628**	349,613
	9,456,368	7,818,005

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

	Number of employees 2024	2023
£110,000-£120,000	**1**	0
£100,000-£110,000	**0**	1
£90,000-£100,000	**1**	0
£80,000-£90,000	**1**	2
£70,000-£80,000	**1**	1

During the year pension contributions on behalf of these employees amounted to £71,838 (2023: £70,593)

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 £481,087 (2023: £460,902).

Total redundancy payments amounted to £46,184 (2023: £27,128) and are included in wages and salary costs.

Please refer to page 18 of the Trustees' Report for details on how executive pay is set.

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5. Employment costs – continued

	Head count - Average Number of employees	
	2024	2023
Ancillary	**41**	37
Medical and nursing	**74**	65
Allied Health Professional	**32**	30
Professional and technical	**35**	28
Fundraising	**11**	10
Administration	**16**	15
Shops	**75**	68
	284	253

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 2023-24, is £897,653 (2022-23: £774,108). 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:

	2024	2023
	£	£
Auditor's remuneration:		
Audit	**25,420**	24,440
Other Services	**1,575**	-
Hire of other assets – operating leases	**304,710**	287,764
Loss/(profit) on disposal of fixed assets	**-**	785
Impairment on revaluation of fixed assets	**-**	131,741
Depreciation	**147,871**	122,287

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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		
	£	£	£	£	£	£	£
Cost/valuation							
At beginning of year	1,750,000	3,150,000	1,180,000	155,000	665,605	1,402,724	8,303,329
Additions	3,692	18,128	197,300	-	427,553	221,599	868,272
Disposals	-	-	-	-	-	-	-
Revaluation	1,146,308	1,181,872	132,700	5,000	-	-	2,465,880
At end of year	**2,900,000**	**4,350,000**	**1,510,000**	**160,000**	**1,093,158**	**1,624,323**	**11,637,481**
Depreciation							
At beginning of year	-	-	-	-	415,252	1,030,349	1,445,601
Charge for the year	-	-	-	-	54,184	93,687	147,871
Revaluation	-	-	-	-	-	-	-
At end of year	-	-	-	-	**469,436**	**1,124,036**	**1,593,472**
Net book value							
At 31 March 2024	**2,900,000**	**4,350,000**	**1,510,000**	**160,000**	**623,722**	**500,287**	**10,044,009**
At 31 March 2023	1,750,000	3,150,000	1,180,000	155,000	250,353	372,375	6,857,728

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.

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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:

	2024 Freehold property £	2024 Long leasehold property £	2023 Freehold property £	2023 Long leasehold property £
Cost	**16,482,029**	**168,271**	16,262,910	168,271
Accumulated impairment (losses)/gains	**(4,991,611)**	**46,074**	(7,452,492)	41,074
Accumulated depreciation	**(2,730,418)**	**(54,345)**	(2,730,418)	(54,345)
Net book value	**8,760,000**	**160,000**	6,080,000	155,000

Freehold land and buildings were subject to independent, professional valuation as at 31 March 2024. The valuation was undertaken by SMC Brownill Vickers. The valuations will be reviewed for indicators or material change annually and a professional valuation will be obtained at least every 5 years.

8. Fixed asset investments

	Group		Charity	
	2024	2023	2024	2023
Listed Investments:	£	£	£	£
Market value at beginning of year	**4,260,940**	3,914,290	**4,260,940**	3,914,290
Additions	**1,856,567**	850,799	**1,856,567**	850,799
Disposals	**(1,777,904)**	(216,914)	**(1,777,904)**	(216,914)
Net investment gains / (losses)	**233,694**	(287,235)	**233,694**	(287,235)
Market value at end of year	**4,573,297**	4,260,940	**4,573,297**	4,260,940
Investment cash	**39,289**	118,726	**39,289**	118,726
Market value at end of year	**4,612,586**	4,379,666	**4,612,586**	4,379,666
Unlisted investments	**10**	10	**84**	84
	4,612,596	4,379,676	**4,612,670**	4,379,750
Historical cost of listed investments	**4,406,518**	4,362,173	**4,406,518**	4,362,173

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8. Fixed asset investments (continued)

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

	Note	Country of incorporation	Principal activity	Class and percentage of shares held
Subsidiary undertaking				
St Luke's Options Limited	**22**	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	
	2024	**2023**	**2024**	**2023**
	£	**£**	**£**	**£**
Trade debtors	**180,669**	698,445	**180,669**	698,445
Income tax recoverable	**106,565**	244,453	**106,565**	244,453
Prepayments and accrued income	**1,821,316**	1,450,788	**1,821,316**	1,450,788
Other debtors	**183,962**	196,866	**183,962**	196,866
Amounts owed by group undertakings	**-**	-	**-**	77,880
	2,292,512	2,590,552	**2,292,512**	2,668,432

10. Cash and Bank

	Group		Charity	
	2024	**2023**	**2024**	**2023**
	£	**£**	**£**	**£**
Cash at bank	**1,841,658**	3,306,206	**1,840,597**	3,208,503
Cash in hand	**4,987**	4,636	**4,987**	4,636
	1,846,645	3,310,842	**1,845,584**	3,213,139

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11. Creditors: amounts falling due within one year – as restated

	Group		Charity	
	2024	**2023**	**2024**	**2023**
	£	**£**	**£**	**£**
Trade creditors	**745,546**	478,579	**745,546**	478,579
Other creditors	**160,682**	202,678	**160,682**	202,678
Taxation and social security	**181,313**	169,108	**181,313**	169,108
Accruals and deferred income **(note 13)**	**960,960**	1,638,022	**960,960**	1,638,022
Amounts owed to group undertakings	**-**	-	**12,514**	-
Amounts held under agency arrangement **(note 24)**	**916,790**	868,118	**916,790**	868,118
	2,965,291	3,356,505	**2,977,805**	3,356,505

There has been a prior year adjustment to reallocate £868,118 from deferred income to amounts held under agency arrangements. This is considered a more appropriate allocation and reflects the nature of the balances. There was no impact to figures presented on the statement of financial activities or totals on the balance sheet.

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

Group and Charity	**2024** **£**	**2023** **£**
Other creditors	**-**	-

13. Deferred income

	£
Group and Charity	
Balance at 1 April 2023	**963,334**
Amounts utilised in the year	**(1,165,676)**
Amount deferred in the year	**651,694**
Balance at 31 March 2024	**449,352**

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.

14. Commitments

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

	2024 **Land and buildings** **£**	**2024** **Plant** **£**	**2023** **Land and buildings** **£**	**2023** **Plant** **£**
Within one year	**330,615**	**8,895**	216,451	7,434
Two to five years	**1,859,649**	**6,671**	444,436	13,009
Over five years	**-**	**-**	-	-
	2,190,264	**15,566**	660,887	20,443

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15. Summary of movement in funds

	Unrestricted fund £	Designated fund £	Restricted fund £	Total £
Fund balance at 1 April 2023	**12,111,202**	**1,750,000**	**-**	**13,861,202**
Income	**12,088,980**	**-**	**1,135,161**	**13,224,141**
Expenditure	**(12,589,183)**	**(361,169)**	**(919,446)**	**(13,869,798)**
Investment gains	**233,694**	**-**	**-**	**233,694**
Transfers of fixed assets to designated	**(7,885,135)**	**7,928,128**	**(42,993)**	**-**
Revaluation on fixed assets	**-**	**2,465,880**	**-**	**2,465,880**
Fund balance at 31 March 2024	**3,959,558**	**11,782,839**	**172,722**	**15,915,119**

	Unrestricted fund £	Designated fund £	Restricted fund £	Total £
Fund balance at 1 April 2022	13,328,559	1,800,000	-	15,128,559
Income	11,294,409	-	243,006	11,537,415
Expenditure	(11,840,052)	(326,752)	(219,262)	(12,386,066)
Investment losses	(287,235)	-	-	(287,235)
Transfers	(253,008)	276,752	(23,744)	-
Revaluation on fixed assets	(131,471)	-	-	(131,471)
Fund balance at 31 March 2023	12,111,202	1,750,000	-	13,861,202

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15. Analysis of movement in unrestricted funds (continued)

Group	General Fund £	Research and Education £	Strategic £	Environment & Sustainability £	IT and Digital Transformation £	Lottery Development £	Fixed Assets £	Total 2024 £
Fund balance at 1 April 2023	**12,111,202**	**250,000**	**350,000**	**300,000**	**850,000**	**-**	**-**	**13,861,202**
Income	**12,088,980**	**-**	**-**	**-**	**-**	**-**	**-**	**12,088,980**
Expenditure	**(12,589,183)**	**(40,496)**	**(45,501)**	**(44,981)**	**(230,191)**	**-**	**-**	**(12,950,352)**
Revaluation on fixed assets	**-**	**-**	**-**	**-**	**-**	**-**	**2,465,880**	**2,465,880**
Other recognised gains	**233,694**	**-**	**-**	**-**	**-**	**-**	**-**	**233,694**
Transfer to unrestricted funds	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transfers to designated funds	**(7,885,135)**	**-**	**-**	**-**	**-**	**350,000**	**7,535,135**	**-**
Transfers from restricted funds	**-**	**-**	**-**	**-**	**-**	**-**	**42,993**	**42,993**
Fund balance at 31 March 2024	**3,959,558**	**209,504**	**304,499**	**255,019**	**619,809**	**350,000**	**10,044,008**	**15,742,397**

Charity	General Fund £	Research and Education £	Strategic £	Environment & Sustainability £	IT and Digital Transformation £	Lottery Development £	Fixed Assets £	Total 2024 £
Fund balance at 1 April 2023	**12,091,453**	**250,000**	**350,000**	**300,000**	**850,000**	**-**	**-**	**13,841,453**
Income	**12,026,490**	**-**	**-**	**-**	**-**	**-**	**-**	**12,026,490**
Expenditure	**(12,540,264)**	**(40,496)**	**(45,501)**	**(44,981)**	**(230,191)**	**-**	**-**	**(12,901,433)**
Revaluation on fixed assets	**-**	**-**	**-**	**-**	**-**	**-**	**2,465,880**	**2,465,880**
Other recognised gains	**233,694**	**-**	**-**	**-**	**-**	**-**	**-**	**233,694**
Transfers to unrestricted funds	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transfers to designated funds	**(7,885,135)**	**-**	**-**	**-**	**-**	**350,000**	**7,535,135**	**-**
Transfer from restricted funds	**-**	**-**	**-**	**-**	**-**	**-**	**42,993**	**42,993**
Gift aid from subsidiary company	**19,819**	**-**	**-**	**-**	**-**	**-**	**-**	**19,819**
Fund balance at 31 March 2024	**3,946,057**	**209,504**	**304,499**	**255,019**	**619,809**	**350,000**	**10,044,008**	**15,728,896**

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15. Analysis of movement in unrestricted funds (continued)

Group	General Fund	Research and Education	Strategic	Environment & Sustainability	IT and Digital Transformation	Total 2023
	£	£	£	£	£	£
Fund balance at 1 April 2022	13,328,559	250,000	250,000	300,000	1,000,000	15,128,559
Income	11,294,409	-	-	-	-	11,294,409
Expenditure	(11,840,052)	-	(23,717)	(8,744)	(294,291)	(12,166,804)
Revaluation on fixed assets	(131,471)	-	-	-	-	(131,471)
Other recognised gains	(287,235)	-	-	-	-	(287,235)
Transfers to unrestricted funds	-	-	-	-	-	-
Transfers to designated funds	(276,752)	-	123,717	8,744	144,291	-
Transfers from restricted funds	23,744	-	-	-	-	23,744
Fund balance at 31 March 2023	12,111,202	250,000	350,000	300,000	850,000	13,861,202

Charity	General Fund	Research and Education	Strategic	Environment & Sustainability	IT and Digital Transformation	Total 2023
	£	£	£	£	£	£
Fund balance at 1 April 2022	13,316,740	250,000	250,000	300,000	1,000,000	15,116,740
Income	11,479,176	-	-	-	-	11,479,176
Expenditure	(12,020,894)	-	(23,717)	(8,744)	(294,291)	(12,347,646)
Devaluation on fixed assets	(131,471)	-	-	-	-	(131,471)
Other recognised gains	(287,235)	-	-	-	-	(287,235)
Transfers to unrestricted gains	-	-	-	-	-	-
Transfers to designated funds	(276,752)	-	123,717	8,744	144,291	-
Transfers from restricted funds	-	-	-	-	-	-
Gift aid from subsidiary company	11,889	-	-	-	-	11,889
Fund balance at 31 March 2023	12,091,453	250,000	350,000	300,000	850,000	13,841,453

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15. Analysis of movement in unrestricted funds (continued)

The named designated funds are estimated amounts set aside for the 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** fund combines a number of important strategic initiatives including c. £100k to support initiatives around Equality, Diversity and Inclusion.

The **Environment and Sustainability** fund is held to provide investment to enable St Luke's aspirations to de-carbonise and become a more environmentally sustainable organisation. A number of initiatives are underway with a programme of activity planned over the next three years.

The **IT and Digital Transformation** fund is held to unify and streamline our clinical systems, to improve analytics and use of data, to advance the digital readiness and maturity of our non-clinical systems, and to enable essential investment in our IT infrastructure and estate.

The **Lottery Development** fund is held for the investment in canvassing and other marketing activity over the next two years. This funding was designated during the year.

The **Fixed Assets** fund has been created to recognise the fact that our fixed assets do not form part of our general or free reserves. We own considerable property assets that are required in order to carry out our charitable activities. This fund will total the net fixed assets in the financial statements each year.

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

The transfer of funds from unrestricted to designated funds was in respect of the transfer of fixed asset fund balances.

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16. Analysis of movement in restricted funds

Group and Charity	Compassionate Sheffield Funding	Support a Nurse	SYICB Funding	NHS England Deanery Funding	Other	Total 2024
	£	£	£	£	£	£
Fund balance at 1 April 2023	-	-	-	-	-	-
Income	**326,142**	**6,912**	**500,000**	**251,869**	**50,238**	**1,135,161**
Expenditure	**(153,420)**	**(6,912)**	**(500,000)**	**(251,869)**	**(7,245)**	**(919,446)**
Transfers	-	-	-	-	**(42,993)**	**(42,993)**
Fund balance at 31 March 2024	**172,722**	-	-	-	-	**172,722**

Group and Charity	Compassionate Sheffield Funding	Support a Nurse	SYICB Funding	NHS England Deanery Funding	Other	Total 2023
	£	£	£	£	£	£
Fund balance at 1 April 2022	-	-	-	-	-	-
Income	-	**2,680**	-	**191,332**	**48,994**	**243,006**
Expenditure	-	**(2,680)**	-	**(191,332)**	**(25,250)**	**(219,262)**
Transfers	-	-	-	-	**(23,744)**	**(23,744)**
Fund balance at 31 March 2023	-	-	-	-	-	-

Compassionate Sheffield Funding

This is an initiative between St Luke's, Sheffield Public Health Directorate and SYICB to help those facing end of life issues.

Support a Nurse

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

SYICB Funding

SYICB has provided funding for the care of specific needs patients. This funding was spent on the costs of providing St Luke's nursing team in 2023-24.

NHS England 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 2023-24.

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16. 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 2024 £
Funding for capital assets	**42,993**
Funding for revenue expenditure	**7,250**
	50,243

17. Reconciliation of net income to net cash flow from operating activities

	2024 £	2023 £
Net (expenditure)/income for the year before investment gains/(losses)	**(645,657)**	(848,651)
Return on investments	**(208,269)**	(127,947)
Depreciation charge	**147,871**	122,287
Loss on disposal of fixed assets	**-**	785
(Increase)/decrease in stocks	**(5,739)**	(11,414)
Decrease/(increase) in debtors	**298,040**	910,546
(Decrease)/increase in creditors	**(391,214)**	81,826
Net cash flow provided by operating activities	**(804,968)**	127,432

18. Analysis of cash and cash equivalents

	At beginning of year £	Cashflow £	At end of year £
Cash at bank and in hand **(Note 10)**	**3,310,842**	**(1,464,197)**	**1,846,645**
Cash held as investments **(Note 8)**	**118,726**	**(79,437)**	**39,289**
	3,429,568	**(1,543,634)**	**1,885,934**

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19. Analysis of assets between funds

2024	Unrestricted funds	Designated funds	Total 2024
	£	£	£
Tangible fixed assets	-	10,044,009	10,044,009
Investments	4,612,596	-	4,612,596
Current assets	2,484,975	1,738,830	4,223,805
Creditors: amounts falling within one year	(2,965,291)	-	(2,965,291)
	4,132,280	11,782,839	15,915,119

2023	Unrestricted funds	Designated funds	Total 2023
	£	£	£
Tangible fixed assets	6,857,728	-	6,857,728
Investments	4,379,676	-	4,379,676
Current assets	4,230,303	1,750,000	5,980,303
Creditors: amounts falling within one year	(3,356,505)	-	(3,356,505)
	12,111,202	1,750,000	13,861,202

20. Related party transactions

No remuneration has been paid to any Trustee (2023: £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 included within insurance costs.

During the year, a gift aid distribution totalling £19,819 (2023: £11,887) was received from St Luke's Options Limited. St Luke's Options Limited is 100% subsidiary of the charity. At the year end £12,514 was owed to the charity and was included in other creditors (2023: debtor of £77,880).

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21. 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 superannuation scheme which provides benefits based on final pensionable pay. From 1st April 2022, all active members moved from the 1995/2008 scheme to the NHS Pension Scheme 2015. This scheme provides pensions for all members calculated on a CARE basis. The formula is not the same as that used for practitioners in the 1995 section and 2008 section, members with periods of service in more than one part of the scheme are eligible to receive a pension calculated under the provisions of the scheme applicable to those periods of service. The NHS Pension Scheme 2015 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 2020) was published in October 2023 and noted a notional deficiency of £40.9bn (12% of notional fund value). The employer's contribution rate increased from 14.38% to 20.68% from 1 April 2019. In the year ended 31 March 2024, the uplift continued to be funded by the Department of Health and Social Care.

The total employer contribution payable in 2023-24 was £72,206 (£53,703 for 2022-23). £7,512 was outstanding at the year-end (2023: £8,661). In addition employees who are members of the Scheme paid salary dependent variable contributions in the range 6.1% to 13.5%.

The scheme is subject to an accounting valuation each year at the balance sheet date by the Scheme Actuary. The Annual Report and Accounts 2022-23. These accounts can be viewed on the NHS Pensions website.

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

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

Group Personal Pension Scheme

Excluding those employees for whom St Luke's continue to make contributions to the NHS superannuation scheme, all other St Luke's employees are enrolled into the Group Pension Scheme arranged by Scottish Widows which they may opt out of at their request. St Luke's makes an employer contribution which matches the employees contribution within the parameters of the scheme. These pension funds are assets of the individual and St Luke's has no liability nor interest in the value of each fund. St Luke's contributions are released to the SOFA as they are incurred. Contributions made during the year were £328,207 (2023: £268,407). £28,112 was outstanding at the year- end (2023: £24,588).

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21. 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 £28,215 (2023: £27,503). £2,351 was outstanding at the year-end (2023: £2,310).

22. St Luke's Options Limited

Profit and loss account

For the year ended 31 March 2024	**2024**	**2023**
	£	**£**
Turnover	**62,490**	58,239
Cost of sales	**(15,535)**	(6,208)
Gross profit	**46,955**	52,031
Administrative expenses	**(33,384)**	(32,212)
Retained profit for the year	**13,571**	19,819

Net assets at the year end were £13,573 (2023: £19,821). The principal activity of St Luke's Options Limited is to trade for the benefit of St Luke's.

23. 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 2024	**2024**	**2023**
	£	**£**
Income	**13,161,647**	11,479,176
Expenditure	**(13,820,875)**	(12,347,646)
Net expenditure	**(659,228)**	(868,470)
Other recognised gains	**233,694**	(287,235)
Net expenditure	**(425,534)**	(1,155,705)
Gain/(loss) on revaluation of fixed assets	**2,465,880**	(131,471)
Net movement in funds	**2,040,346**	(1,287,176)
Total funds brought forward	**13,841,453**	15,116,740
Gift aid from subsidiary company	**19,819**	11,889
Surplus/(deficit) for the financial year	**2,040,346**	(1,287,176)
Total funds carried forward	**15,901,618**	13,841,453
Represented by:		
Unrestricted funds	**15,901,618**	13,841,453
Restricted funds	**-**	-
	15,901,618	13,841,453

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24. Agency arrangements

The charity acts as an agent in distributing ECHO and CoMPaSs project funds. In the accounting period ending 31 March 2024 the charity received £271,707 (2023: £580,059) and disbursed £223,034 (2023: £126,778) from the fund. An amount of £916,790 (2023: £868,118) is included in creditors for funds which are distributable to various ECHO projects and CoMPaSs. Payments are received for funds which are distributed to various partners. St Luke's is one of three ECHO Superhubs in the UK.

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ST LUKE'S HOSPICE

England & Wales - Charity number 254402

Accounts

ST LUKE'S HOSPICE
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

Sheffield's Hospice

Charity registration number: 254402
Company registration number: 00922448

ST LUKE'S HOSPICE

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

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ST LUKE'S HOSPICE

CHAIR'S REPORT 2022-23

YEAR ENDED 31 MARCH 2023

Welcome

I am pleased to present the 2022-23 Annual Report and Financial Statements for St Luke's.

This report marks my final full year as Chair of St Luke's Hospice. I have been a Trustee for over 10 years and Chair for the last six. It has truly been an honour and privilege to be involved with such an amazing, essential and well-loved charity. I am grateful for having been able to play just a small part in helping St Luke's deliver such important services for the people of Sheffield.

I have been fortunate to have worked with such a talented, committed and passionate CEO and Executive Team while I have been Chair. They have led the organisation with skill and dedication through what have been truly challenging times.

Our people

St Luke's staff and volunteers have once again performed with incredible dedication and selflessness across the year. Workforce challenges have been real and impactful in the post-pandemic period, for all employers. The cost-of-living crisis and inflationary pressures have affected staff and the organisation's ability to develop sustainable plans; and strikes by healthcare staff in partner organisations across last winter created additional pressures to add to the backlog of care (and its consequences) following the pandemic. It has been a difficult time to be a patient, a carer, a family member, or an employee or volunteer in a healthcare organisation. St Luke's has lived this challenge, is still facing it, and continues to rise to it as this report will demonstrate.

Whilst times are not getting easier, St Luke's continues to live up to its commitment to the people of Sheffield as it has for over 50 years. Our charity is enabled and supported by tens of thousands of donors, volunteers, staff and partners, helping to deliver vital services now, whilst also planning for a sustainable future. We know that having a sustainable, passionate and effective St Luke's into the future is vitally important for the health of our city and that our vision - 'Supporting and caring for everyone affected by terminal illness in Sheffield' – is as important today as it was when we opened in 1971.

Our care

St Luke's Community team of nurses, doctors and health and social care professionals have seen the needs and demands of patients receiving care and support at home grow across the year, with many more facing complex issues. During the year, the Community team undertook 6,826 person-to-person assessments with patients and families at home and in care homes, including 1,793 intensive treatment visits often in the most difficult – frequently crisis - circumstances. The team also made 13,283 specialist palliative care contacts with those patients and families to support their care.

During 2022-23, St Luke's opened its Patient and Family Support ('PAFS') service, combining clinical specialist day services for patients – focusing on consultations, therapies and other interventions – delivered at Little Common Lane together with 'social prescribing' activities available at our Ecclesall Road South site. Patients and families referred into this service get the benefit of access to specialist clinicians, plus a wide range of supportive activities and group sessions adding quality and purpose to life. We're delighted that since opening in May 2022, there have been over 6,800 attendances to sessions, making a real difference to lives at such a critical time. As part of the PAFS service, St Luke's supported 508 bereaved relatives with 2,573 sessions of counselling and support in the year, all funded from our charitable income.

Through our 'ECHO' telementoring and support system, St Luke's provided and enabled the delivery of 184 sessions attended by 3,283 practitioner delegates (GPs, care and nursing home staff and health professionals) to support the wider Sheffield healthcare system in the care of the dying, support for the bereaved, and many wider initiatives.

Our progress

During the year, St Luke's has taken significant strides in two major areas – Equality, Diversity and Inclusion and Environmental and Sustainable Practices. We've created strong people-led processes around each, made resources available and set a pathway for the future. More about our commitment to and progress with EDI can be found on pages 19-20 of the Trustees' Report that follows. We've also helped to fund an initiative to help those facing end-of-life issues through Compassionate Sheffield, of which St Luke's is a founding and funding partner (alongside Sheffield's Public Health Directorate and NHS South Yorkshire Integrated Care Board).

We also have commenced a major project to unify and streamline our clinical IT systems – the 'SystmOne' project. We are currently on track to 'go-live' with our new system during 2024.

Our finances

We entered 2022-23 in a strong financial position with a good level of reserves. We have achieved our expected budgetary position on normal operations (a deficit of c. £0.6m), but after accounting for our expenditure from our designated funds (in particular the SystmOne project) and accounting for the market downturn in our investment funds, there is a bottom-line deficit of over £1.2m.

Emerging from the pandemic, St Luke's – like other organisations – has found challenges as the cost-of-living crisis has started to affect us and our workforce. Our key challenge has been to recruit and retain staff in an environment of high vacancies and competition for resources. We've needed to review our pay and reward levels to ensure that we remain competitive, and this together with a 10% increase in National Living Wage levels has been a major additional cost for the charity. Thankfully, with the action we've taken and the good reputation St Luke's has as an employer with a positive culture and care for the wellbeing of staff, we've seen excellent retention and been able to fill most of the vacancies that emerged during the pandemic. But across two years the cumulative impact of these changes has resulted in an addition of around £1m to our recurrent cost base.

Helping to offset this, we've seen an excellent bounce-back in the income generated by our retail chain, which is now in excess of pre-pandemic levels and gives us a good base for future growth. The landscape in general fundraising is more challenging, with income below pre-pandemic levels, particularly in corporate and community fundraising. The legacy pipeline and cashflow remains strong and consistent with levels received in prior years, but accounting regulations mean that this is not reflected in the amount recognised as income this year owing to a timing issue. We remain grateful for all those who support St Luke's, whether by paying £1 for a lottery ticket, £3 for an item of clothing in our shops, or by leaving us £10,000 in their will. Every pound matters.

Our Board

I would like to pay tribute to our Trustee and Chair of the Nominations and Remuneration Committee, Professor Sarah Thomas, who sadly died in May 2023. Sarah was a passionate advocate for St Luke's and other charities and good causes in Sheffield and nationally. She had been on the Board of St Luke's since 2013 and was a committed Trustee who brought a wealth of knowledge and experience and was never afraid to challenge. She was a truly dedicated supporter of palliative and end of life care. Sarah was cared for at St Luke's during her final days and both she and her family drew comfort from the care and support they received from our team.

I would also like to thank three of my fellow trustees who will be standing down from the board in the coming months having reached the end of their terms of office – Sue Inglis, Laurence Gavin and Andrew Snelling. Their contribution to St Luke's has been tremendous and they will be missed.

However, I am delighted to welcome Adrian Belton, Dr Suvira Madan, Nicky James, and Professor Jon Wadsley, who have all joined the St Luke's Board of Trustees during the year. These appointments have strengthened our Board for the future.

Adrian will be taking over the mantle of Chair from me when I step down in December 2023 and I wish him every success in leading the charity at this important point in its history.

Thank you!

Finally, and most importantly, I would like to thank all the supporters, volunteers, staff and everyone involved with St Luke's. It has been a privilege and a pleasure to serve as Trustee and Chair of this irreplaceable charity.

N A MacDonald (Sep 28, 2023 14:14 GMT+1)

Neil MacDonald
Chair of the Board of Trustees
St Luke's Hospice, Sheffield
Date: 25 September 2023

The Trustees present their report and the audited financial statements of the charity for the year ended 31 March 2023. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity. These accounts are also prepared to meet the requirements for a directors' and strategic report and financial statements for Companies Act 2006 purposes.

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.

Our vision of care

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

Our vision

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

Our mission

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

Our values

- **Dignified** – In everything we do, we provide and nurture an environment that ensures a dignified, respectful and human experience for everyone in our care.
- **Compassionate** – Compassion is at the heart of St Luke's, expressed by human kindness and a selfless, benevolent concern for the wellbeing of everyone we care for no matter what their circumstances.
- **Inspired** – Inspired by those we care for, we are proud to be part of our community and it is a privilege to support individuals and their families through many challenging and significant moments. We are always mindful of the trust and confidence invested in us by them.

- **Pioneering** – We aspire to be the best and to set new benchmarks for end of life care, inspired by the pioneering spirit of our founders. We are advocates for the terminally ill, we are their voice and their champions, and therefore we will never stop striving to improve what we do.

Our Strategy

During the coronavirus pandemic our strategy entailed getting back to basics, in particular through:

- Staying safe – for patients and families, employees and volunteers, colleagues and the public; and working for the wellbeing of these groups.
- Maintaining vital services – wherever possible, to keep core services running and 'step up' to deliver new services necessary during the pandemic.
- Ensuring 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.

We are now in the post-pandemic era and have made great progress in re-building our sustainable fundraising and retail income streams to pre-pandemic levels (in fact retail is now exceeding pre-pandemic income), and we are refreshing our model care in our Patient and Family Support (PAFS) services at both our Little Common Lane and Ecclesall Road South sites, as we continue to provide outstanding palliative care to some of the most vulnerable people in Sheffield. A key milestone was the launch of our PAFS service at Ecclesall Road South during 2022.

We are now looking at our new strategy for the period to 2027 as the financial sustainability and operational demands of the post-pandemic environment have become clearer. This new strategy will be launched in late 2023.

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. Care of patients with non-cancer illnesses has risen to over 32% for the 2022/23 year from 31% last year.

Overall, our clinical teams helped 1,726 individual patients (2021/22: 1,758), through 2,591 spells of care (2021/22: 2,552). The small reduction in patient numbers compared to 2021/22 reflects the continued impact of the new community triage process, where inappropriate patients are declined prior to any visit taking place, thus ensuring that specialist palliative care is applied only to those who need it. This is important because, with the complexity, acuity and dependency of patients continuing to show deterioration compared to previous years, the demand for St Luke's services remains extremely high and at times through the year the pressure on services reached a level where the ability to accept further cases became pressured. This is despite the investment made by St Luke's (from charitable income) to expand the community and medical teams to offer more support. St Luke's role as a 'provider of last resort' for many crisis cases continues to support the healthcare system in the city.

During the year, St Luke's accepted 1,945 referrals into its services, 70% of the 2,803 total applications made. Those not accepted into service had in some cases died before the initial assessment, others declined St Luke's services and in around 6% of cases, it was determined that St Luke's was not the appropriate care provider for their needs based on triage assessment – sometimes resulting in difficult conversations with fellow healthcare professionals.

It is vital that St Luke's cares for the wellbeing of its staff despite the pressures faced. Complex end of life care is emotionally draining, for the patient and their loved ones but also for the caring team. At St Luke's, we invest heavily in

appropriate support for staff, from clinical supervision and opportunities for reflection to dedicated 'learning days' and extensive wellbeing support. During 2022/23, we've given significant focus to mental health and menopause especially, creating a culture where these issues can be raised and actively supported. We've also taken measures to help address the impact of the rapidly rising energy costs and how they affect the wellbeing and morale of our workforce and offer support on an equitable basis during the year.

St Luke's has also offered special support to patients through the creation of a hardship fund, designed to assist those in financial need exacerbated by the cost-of-living crisis, which offers assistance for living costs and funding for special requirements where cases of real hardship are identified by our healthcare professionals. Even relatively small amounts of funding can be truly life-enhancing and offer relief from constant worries at such a critical stage.

We've engaged with a number of partner organisations in Sheffield to offer use of our facilities and shared events and activities, to offer support to a wider number of groups. These include Age UK Sheffield, Young Lives vs Cancer (bereaved parents evenings) and Sheffield Royal Society for the Blind (staff meetings and training events). We also offer space for Sheffield medical students to undertake communication skills training.

Looking wider, post-pandemic St Luke's has reactivated its support for palliative and end of life care in the developing world and has recently supported the secondment of a nurse to assist Hospice Africa with its programmes in Uganda. We hope to continue this work in the future, giving assistance to those in much less favourable circumstances than we enjoy, but also giving real development opportunities to our healthcare teams at St Luke's.

During the year St Luke's provided the following services:

Community team

- In the year our teams made 6,286 visits to patients at home and in care homes across Sheffield, and 13,283 phone and video calls to them in support of their care
- St Luke's accepted 1,663 referrals to our Community service from GPs and other healthcare professionals
- 26% of visits were to patients who required urgent care from our Intensive Treatment Team
- St Luke's continues to provide about 40 specialist food and drink packages to community patients each month, free of charge

In Patient Centre

- 24 hour care and support by our team of specialist nursing, medical and health professional staff
- Over the last 12 months we cared for 294 patients at our IPC (282 admissions)
- We provided 4,517 nights of care for patients on the IPC
- On average, each patient stayed at the IPC for 16 days with one quarter able to return home after specialist intervention treatment

Patient and Family Support service (PAFS)

- Over 6,800 attendances in the year, with 522 receiving clinical outpatient, clinic or day-patient support at Little Common Lane and 6,295 attendances to our Ecclesall Road South site for 'social prescribing' activities
- During the year, 42 different activities were offered weekly across both sites. Sessions include physio/ occupational therapy, different activities that target symptoms, creative options like art club and singing group, social sessions such as indoor curling and laughter yoga, bereavement sessions and more
- Activities are supported by staff plus 38 volunteers offering 135 hours per week of their time, including serving in the on-site café that opened in 2022 at Ecclesall Road South, for patients and families
- 508 relatives were supported with bereavement counselling and supported after the death of a loved one

- The Bereavement team of staff and volunteers delivered 2,573 sessions with clients in the year

Focus on - continuous improvements through research and clinical audit

Research

St Luke's is a research active organisation and has integrated its research and audit activities into its wider governance framework, through its Research Committee and its Audit and Risk Committee. Our research programme is focused on initiatives that will benefit people in the City of Sheffield. The programme is led by Dr Sam Kyerematenge (Medical Director) and Dr Paul Taylor (Head of Research at St Luke's, Senior Clinical Lecturer at the School of Health and Related Research at The University of Sheffield, and Consultant in Palliative Medicine).

St Luke's has moved from a position of research engagement and enthusiasm to having an ambitious strategy, a comprehensive governance process, and an active programme of research participation. Our innovative projects, including the development of Project ECHO as a platform for sharing clinical learning and excellence within a community of practice, have attracted local, regional and national interest and continued to be supported from St Luke's charitable income for the benefit of the wider community.

St Luke's is increasingly demonstrating research-leading presence regionally and nationally. The research lead is part of a Yorkshire-wide partnership, offering mentoring to a doctor developing a research agenda in their own service, and receiving guidance from experienced Professors on joint projects. The research lead is also a founder member of a University-wide research group focused on palliative and end-of-life care.

We continue to support external research, including a multi-centre NIHR-funded study into improving delivery of palliative care by home care workers and the ongoing RESOLVE project. Moving forward, we are developing a flagship research project for Sheffield, for which we are seeking NIHR funding. This project is focused on using routine data to improve the care of palliative patients across the healthcare system.

St Luke's has continued to publish articles in peer-reviewed journals, with two in print and one accepted for publication. Further articles on research at St Luke's are being drafted. In addition, we have presented posters at national conferences; one based on how we have delivered our research strategy and a second on research conducted by a trainee. We also continue to build a research culture in the organisation, with regular research teaching to specialty trainees and a journal club for all staff.

Based on the above successes, St Luke's has dedicated further funds to support the organisation's research agenda and identified space at the Ecclesall Road South site to use as a research office. In the first instance, these funds will be used to develop hospice-based research support roles to increase research capacity, support dedicated projects by hospice staff and host a research conference in Sheffield. Through this and other initiatives, we plan to enhance St Luke's reputation as a research-generating and research leading organisation.

St Luke's risk appetite statement includes a high appetite to undertake investigation into new initiatives that can benefit patient care in Sheffield and which can support the fulfilment of our wider charitable objectives for our beneficiaries.

Clinical audit

Clinical audits and service improvement projects allow St Luke's to monitor the standard of care we deliver to patients and constantly improve its quality. We identify the projects needed under direction from our regulators, in response to local or national incidents, clinician interest and national policy changes.

The audit and service improvement process is managed by the Clinical Audit and Research Group (CARG) - a group which is chaired by the Research Lead and attended by the Director of Care, Medical Director, Pharmacy Lead, Clinical Quality and Risk Lead, Chief Operating Officer, Infection Prevention and Control Nurse and St Luke's Audit Lead (Deputy Medical Director) - to ensure representation and buy-in from the whole clinical and organisational team. Governance for the audit process and learning comes through the Audit & Risk and Healthcare Governance Committees. Examples of local clinical audits that took place during 2022-23 are:

- Blood transfusion use on the IPC
- National audit on ethnicity documentation within palliative care
- Re-audit of delirium screening on the IPC
- Documentation of prescribing errors on the IPC

Care Quality Commission (CQC) oversight

St Luke's is required to register with the CQC given the nature of the services we offer to patients. Our registration was amended during the year at the request of the CQC and we are now registered under the following regulated activity category: the treatment of disease, disorder or injury.

During the year, St Luke's has not been the subject of inspection or visit by the CQC, although there has been regular monitoring through online and telephone meetings, in particular to introduce new inspectors to our services. St Luke's receives regular advice and updates from the CQC.

St Luke's was last inspected by the CQC in October 2016 when inspectors paid an unannounced visit to assess compliance with the legal requirements and regulations under the Health and Social Care Act 2008. The CQC's report, published in January 2017 gave the following results below:

Overall rating for this trust	Outstanding
Is the service safe?	Good
Is the service effective?	Outstanding
Is the service caring?	Good
Is the service responsive?	Outstanding
Is the service well-led?	Outstanding

The full report can be viewed at: www.cqc.org.uk/location/1-108415043

Financial Overview, including income generation performance

Our total income for the financial year was £11.5m (2021/22 £13.7m). Within this reduction of £2.2m there were several major variances, as follows:

- Legacy income received was £0.8m, down from £2.7m in the prior year. We budgeted for £1.2m of legacy income in both years, being c. 70% of our average income from gifts in Wills over the previous few years. Legacy income is by its very nature unpredictable and we had an exceptionally high year in 2021/22. We budget for a lower than typical amount of legacy income each year to protect the charity from the inevitable years when this income stream is lower than normal. This policy has proved prudent in the 2022/23 year. Of note is that we received a similar number of bequests to the prior year, however the total quantum of these gifts were lower, such being the unpredictable nature of legacy income.

- Fundraised income (all donations excluding legacies; events income; lottery income) was £2.5m, compared to £2.4m in the prior year. It is a difficult time to fundraise for all hospices, and most charities, for a number of reasons such as the cost of living crisis, inflationary pressures on companies and households, giving fatigue following the pandemic and other socio-economic factors. To record a small increase in our fundraised income was a pleasing result and we are budgeting for a further modest increase in the year ahead.
- Retail income from our chain of charity shops was £3.4m, up by nearly £1.0m from the previous financial year. We had budgeted for a significant increase following two years in which trading was significantly interrupted by intermittent lockdowns and social distancing rules. However, our actual trading performance was even better than expected and is testament to our staff, the many hundreds of shop volunteers, and to the general public in Sheffield who have given phenomenal support in both donating and purchasing many hundreds of thousands of pre-loved items. The Board of Trustees have supported the Executive Team's retail growth plans including a brand new pre-loved eco concept store on the Moor which will be opened in the late Summer of 2023, followed by further exciting new outlets across the city.
- Income from our commissioning body NHS South Yorkshire Integrated Care Board has increased from £3.0m to £3.4m. Most of the increase was from ad-hoc non-repeating funding arrangements for specific projects and initiatives, and there was a modest increase to the core funding agreement. At £3.1m our core contractual funding from the NHS represents just 26% of our total funding for the year.
- The net result of all other income streams was a total of £1.4m, down from £3.2m in the prior year. However, this was expected and budgeted as in 2021/22 we received various one-off tranches of funds, primarily a business interruption insurance claim of £0.5m (due to the closure of the shops during the first lockdown) and £1.3m of pandemic specific funding from both National and Local Government schemes.

We spent more money running the charity than in the previous year:

- Our total expenditure for the year rose to £12.4m, up from £10.1m in the prior year. Of this increase, £1.6m was additional expenditure on our charitable activities (clinical costs and costs associated with education and research) and £0.7m more was spent on raising funds (primarily due to increased costs associated with the shop chain being fully operational).
- Of the £12.4m, 86.6% were direct costs, with 13.4% being support costs. These are very similar percentages to the prior year. Please see Note 3 to the accounts for further information.
- Most of our costs relate to people. Staff costs were £7.8m, up from £6.5m in the prior year. Staff costs comprise nearly two thirds of our total costs, which is to be expected given the nature of our organisation.

The net effect of the shifts in income and costs summarised above is that we have recorded a net deficit in the year of over £0.8m. Note that this includes over £0.3m of designated fund spend (primarily on our clinical systems project).

As per the accounting rules we have recorded the movement in capital value of our investment portfolio. In the 2022/23 financial year this was an unrealised loss of just under £0.3m. This is not a concern as our investment funds are held for the long term and global markets experience peaks and troughs as part of normal macro-economic cycles, but are expected to increase in value over the medium to long term.

We have revalued our property assets, in line with our accounting policy, to reflect their most recent market valuation of 2021. This has resulted in an impairment charge of over £0.1m being applied to the accounts.

The overall impact of these accounting adjustments is that a further £0.4m has been added to the deficit and so our overall net movement in funds is a reduction of over £1.2m.

With continued pressure on NHS finances, we do not anticipate material increases in our statutory funding in the near future. We will continue to be reliant on growth in our retail chain and fundraised income in order to maintain the current level of clinical activity. With inflation at unprecedented levels for recent times and the deepening cost of living crisis, it will be very challenging to continue to grow our self-generated income in the coming years. Having a highly motivated and skilled team of fundraisers and retail staff, supported by an army of volunteers, puts us in a strong position to maximise and grow income. Well established income streams and a successful retail chain, coupled with the generosity of the public in Sheffield, means that where economic conditions allow, we are in the very best place to achieve growth.

Please note that for every £1 spent on fundraising, we generated £2.87 and for every £1 spent on our charity shops, we generated £1.35 in income. These are both strong results that benchmark well against our peers and we are formulating strategies for all our self-generated income streams to continue to be the fundraising and retail leaders in the city of Sheffield.

Ethical fundraising statement

St Luke's fundraising promise to the general public and our existing supporters seeks to ensure that our fundraising, in all its forms, is legal, open, honest and respectful. Ethical fundraising demands more than what is merely required by law. St Luke's strives to go beyond its legal obligations and regulatory requirements to ensure the highest ethical standards in fundraising. Ethical fundraising is not only a vital means of financing St Luke's, but also protects and enhances its reputation within the community. Fundraising will also comply with St Luke's working values, to ensure that fundraising work is dignified, compassionate, inspired, and pioneering.

Fundraising and complaints

- 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.

- We are organisational members of the Institute of Fundraising, Hospice Lotteries Association and The Lotteries Council. All Fundraising Team members attend mandatory training sessions which include 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 receive regular training on the Fundraising Code and best practice.

- 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 5 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 and Communications Teams, ensuring that it is not unreasonably intrusive or persistent. All marketing material compliant with data protection legislation and contains clear instructions on how a person can be removed from mailing lists.

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.

	Standard Criteria
Objective	*'Balanced' return between income and growth*
Risk	*Medium*
Mandate	*Discretionary*

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.

Ethical Investment Policy

St Luke's is a values led charity that takes a responsible approach to environmental, social and governance (ESG) issues in regard to investments.

We have appointed professional Investment Managers (Investec) to act on behalf of St Luke's, who are expected to consider ESG factors in all investments made with our funds and in particular:

- Not directly invest St Luke's funds in any company that carries out activities that are contrary to the aims and objectives of the charity or that could damage the charity's reputation.
- Not directly invest in any company with which it would be reasonable to hold significant ESG concerns and undertake appropriate due diligence of all companies before investing.
- When investment is undertaken via collective units (unit and investment trusts) it is expected that Investec will engage with the appointed fund managers on matters of corporate governance and that an integrated ESG approach that follows Investec's 'A.P.P.R.O.V.E.D' investment process for pooled funds be applied to all collective units purchased with St Luke's funds.

Through the appointment of independent professional Investment Managers we believe that we have taken all reasonable steps to minimise indirect investment in sectors contrary to the aims and objectives of the charity, that could damage the charity's reputation, or in companies that fall below the high ESG standards within which we aspire our portfolio to be invested. We are mindful that in spite of the good intentions of this policy, it is possible that indirect investment of this nature may be made, however it should never be material in relation to the aggregate of the St Luke's investment portfolio.

St Luke's commitment as a result of the application of this policy is that we will invest an increasing proportion of the portfolio in stocks and funds that have a positive ESG impact.

The objectives are to be achieved by investing prudently in a broad range of fixed interest securities and equities which are quoted on a Recognised Investment Exchange and unit trusts and OEICs (open ended investment companies) which are authorised under the Financial Services and Markets Act 2000.

Reserves policy

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, our infrastructure and strategic projects. We consider that the most useful measure of reserves is the level of cash held at bank and as investments that can be readily converted to cash. We have reviewed our reserves policy during the financial year and this new policy represents a dynamic risk-based approach that considers the financial stability of St Luke's as well as longer term strategic opportunities and risks the charity faces, the different reasons for holding money, and looks to build a target range based on holding these reserves in aggregate, as follows:

- **Operational reserves** – the minimum level of cash to be held at all times for immediate working capital needs (such as paying the monthly wages). This is currently estimated as a minimum of **£0.5m**

- **Base reserves** – the minimum level of cash to be held at all times, in addition to operational reserves, in order to cover statutory or associated liabilities should we need to undertake a major restructure, or should we lose a key income stream, in order to help mitigate the financial risk to the charity. We estimate this to be **£1.5m**, which could be held as cash at bank or as investment funds, or a combination of the two.

The cumulative value of the above elements gives **a platform of c. £2.0m**. We then build on this with potentially more variable elements:

- **Investment reserves** – these reflect the level of funds needed, in excess of those above, to provide the charity with the level of income included as 'investment income' within its financial projections – based on estimated return rates. This may vary but is currently considered to be **£2.5m**. This will be reviewed by the Board of Trustees each year.

- **Opportunity reserves** – the final element of reserves held to provide medium and longer term resources to take on new opportunities or to deal with known issues and emerging risks. The level will fluctuate based on financial performance and strategic requirements and will be assessed annually by the Board. We anticipate a range of **between £1m and £4m** depending on where we are in the cycle of expenditure into new opportunities. Major capital projects and significant designated fund spend would fall into the category of money spent from these opportunity reserves.

- **Total reserves** – based on the above reserves categories, using a cumulative methodology, the Board considers the need for a target range of total cash and investments reserve of **£5.5m to £8.5m**.

In additional to this range of cash and investment reserves, the Board also holds a policy in regards to designated funds, restricted funds, and free reserves, as follows:

- 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.

- St Luke's **restricted reserves** policy is that when necessary and legally required we will hold restricted funds.

- The level of **free reserves** held will be directly related to the level of cash and investment reserves, less the tangible fixed assets held, plus the longer term proportion of designated funds. As the level of cash and investment reserves is within a range, and as the level of designated funds and their spend profile will be different each year, it is appropriate to set a range for free reserves too. Therefore, St Luke's free reserves policy is to have free reserves in the range **£4.5m to £7.5m.**

Reserves at 31 March 2023

Cash at bank at 31 March 2023 was £3.3m and fixed asset investments that could readily be converted to cash were £4.4m. ***The total of cash and investments reserves was therefore £7.7m*** *(2022: £8.1m)*. This is within the target range of £5.5m to £8.5m.

At 31 March 2023 St Luke's held £13.86m in total reserves (2022: £15.13m). Of this we have identified a total of £1.75m (2022: £1.80m) as designated funds. Spend against these activities is anticipated to occur over the next three 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 2023 should remain in free reserves – this amount is estimated to be £1.15m.

Of the total reserves held, ***£6.40m were held as free reserves*** (2022: £7.58m) being the total of general funds (£12.11m), less total tangible fixed assets (£6.86m), plus the longer-term portion of designated funds (£1.15m). This is within the target range of £4.5m to £7.5m.

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 Trustees 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 2023, St Luke's identified a total of £1.75m of its reserves as designated funds, summarised as follows:

- The **Research and Education** fund of ***£250,000*** 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 **Environment and Sustainability** fund is held to provide investment to enable St Luke's aspirations to de-carbonise and become a more environmentally sustainable organisation. A number of initiatives are underway with a programme of activity planned over the next three years. ***£300,000*** has been allocated to this fund.
- The **Strategic** fund combines a number of important strategic initiatives including c. £100k to support initiatives around Equality, Diversity and Inclusion. ***£350,000*** has been allocated to this fund.
- The **IT and Digital Transformation fund** is held to unify and streamline our clinical systems, to improve analytics and use of data, to advance the digital readiness and maturity of our non-clinical systems, and to enable essential investment in our IT infrastructure and estate. ***£850,000*** is designated to this fund.

Taking account of the expected usage of each fund in 2023-24 as noted above, a total of £0.60m of designated funds are expected to be spent in the period to 31 March 2024, with £1.15m projected to be spent during period 2024-26. The £1.15m longer term portion is therefore treated as part of free reserves.

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

Going Concern

The 2022-23 financial statements have been prepared on a going concern basis. Whilst we have recorded a deficit in the financial year our underlying operational performance was consistent with our planned budget deficit. It was our planned strategic spend of elements of our reserves through designated funds, the unrealised capital loss on the

investment portfolio, and the impairment of fixed assets to market value that resulted in the position becoming a reported deficit of £1.2m. We have a strong asset base and are likely to see further planned deficits over the next three years as part of the plan to spend our designated funds and return to the mid-range of our reserves policy. Our operational budgets for the 2023-24 financial year anticipate a deficit due to significant inflationary pressures on wages and other essential costs. 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.

The Executive Team is supported by a clear and accountable organisation structure through the Operational Leadership Team which includes Heads of Department and Senior Managers. 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, South Yorkshire Integrated Care Board ('SYICB'), and many others. This brings particular requirements for its senior staff, including the need to meet particular 'Fit and Proper Persons' criteria as specified in healthcare regulations.

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

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.

At the end of the financial year the following employees served in St Luke's Executive Team:

Name	Role	Length of Service at St Luke's / in role	Qualifications	Governance Support Lead
Peter Hartland	Chief Executive Officer	15 years, 13 years in role	BSc (Hons), ACA – Associate of The Institute of Chartered Accountants in England and Wales	Board of Trustees; Nominations and Remuneration Committee
Kathryn Burkitt	Director of Income, Media and Marketing	14 years, 6 years in role	BA (Hons), MInstF	
Jo Lenton	Director of Care and Lead for Healthcare Partnerships	14 years, 4 years in role	Registered Nurse, BA (Hons) Supportive & Palliative Care	Healthcare Governance Committee
Tony Saunders	Director of Finance and Chief Operating Officer	13 years, 8 years in role	BA (Hons) FCA – Fellow of The Institute of Chartered Accountants in England and Wales	Resource and Finance Committee; Audit and Risk Committee
Sam Kyerematenge (1)	Medical Director and Clinical Lead for Programme Development	10 years' service and in role	MBChB, MRCP, Dip, PallMed	Research Committee

(1) Dr Kyerematenge'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.

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 Board commissioned an independent governance and board effectiveness review during 2022 with DigiBoard consultants which concluded that "St Luke's is an extremely well-run charity which scores very highly, both in absolute terms and by comparison to benchmarks". Following this independent review which reported that the Board and Executive work effectively together with a high level of performance, the limited actions identified have been worked on and progressed, with particular progress in EDI and succession planning. St Luke's Chair will stand down at the end of 2023 after serving the maximum term in office as a Trustee, together with a number of other Trustees, but a Chair-designate has been recruited and the Board has breadth and depth to manage the changes effectively.

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).

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.

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 of 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.

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.

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.

Section 172(1) statement

The Trustees are aware of their duties and have mechanisms in place to ensure they comply with the matters outlined in section 172(1) of the Companies Act 2006. This includes ensuring that any decisions that may have a long-term influence on the success of the Charity require, at a minimum, a full risk assessment and business case appraisal. Trustees regularly engage with the Executive team and senior staff members through formal Board and Committee meetings at which risk assessments and business cases are considered in respect of all major decisions that could have a long-term influence on the Charity.

The Trustees are aware of their duties to inform all regulatory bodies of any areas of concern. Regular submissions are made South Yorkshire Integrated Care Board, the Care Quality Commission, the Information Commissioners Office, the Gambling Commission and other regulatory bodies. All areas of compliance are reported to the relevant sub-committee of the Board and an annual statement of compliance with all laws and regulations is received by the full Board. Trustees attend any ad hoc meetings required in respect of regulatory compliance and investigation and they consider whether any concerns should be submitted to the Charity Commission under the Reporting of Serious Incidents (RSI) process.

The Board receives feedback from staff and people we support through surveys, monitoring of complaints, compliments, and incidents, attendance at service user forums (where appropriate) and Patient Safety Leadership Walkrounds. Trustees also regularly attend a variety of public events that St Luke's hold throughout each year and interact with staff, volunteers, supporters and general public. They attend shop openings and celebrations, volunteer long-service awards, services of remembrance and other key events.

The Trustees monitor financial performance in detail at the Resource and Finance Committee and in a more summarised format at full Board meetings. Financial controls and the application of ethical terms of business are monitored through the Resource and Finance and the Audit and Risk Committees. Committees and Working Groups of the Board have the opportunity to meet with professional advisors to seek feedback on specific risk areas of the Charity and its responsiveness to regulatory and legal compliance matters.

The Charity has ethical fundraising and investment policies in place and adherence to these is monitored through Committees and Working Groups. We have an Environmental and Sustainable Practices Group which is a working group comprising members of the Board, the Executive Team and key staff which has oversight of our various initiatives that help St Luke's to be an environmentally sustainable organisation.

Public benefit statement

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.

Equality and Diversity statement

In common with many organisations, St Luke's has been developing its response to an important area of development for our organisation – Equality, Diversity & Inclusion (EDI). This is a key issue where the public has expectations and where failure to act will negatively impact both perceptions of quality as well as the actual quality of services, with negative repercussions on staff recruitment and retention, public support, and reputational harm if not addressed adequately.

St Luke's is committed to the promotion of diversity and equal opportunities, to eliminating and preventing unlawful discrimination in our work, and to protecting and respecting human rights.

We believe that our services should be accessible for all, regardless of race, age, gender, disability, sexuality, religion, marital status, gender reassignment status or the area of Sheffield in which a person lives. We are also committed to treating staff, volunteers and those applying to work at St Luke's fairly and without discrimination.

We actively seek to promote equality and human rights by ensuring that we meet our legal duties under the Equality Act 2010 and the Human Rights Act 1998, for example by making sure that equality and diversity are at the centre of our policies and procedures, by ensuring that staff and volunteers are able to meet the diverse needs of our service users, and by involving patients in decisions about their healthcare as far as possible.

Equality and Diversity progress

Action on EDI takes time because it involves changes in the culture – of people and the organisation – and requires the allocation and use of resources, which can be scarce. It is clear that St Luke's, like any organisation offering services to the whole population, needs to do more to understand the diversity of its service user base, to transform the organisation and its culture to become more inclusive of that diversity, and to promote equality – and equity – in what we do and how we do it.

In order to support this, St Luke's has established the EDI Governance Working Group, comprising Trustees and staff members which meets four times a year. The group helps steer organisational policy and practice, to make resources available and to oversee programmes and progress. The group has stated its ambition:

'St Luke's Hospice is here for anyone in Sheffield. We seek to care equally for all we encounter and strive to make our services free from barriers and our attitudes free from prejudice. We aim to treat everyone as a unique individual and to provide the best experience that we can for each person.

We acknowledge that we all have inbuilt and unconscious prejudices and biases that we often don't even realise, but that these can create barriers, inequities and hurt to those they affect. We're committed to actively eliminating these organisational and personal failings and to take positive action where necessary in asserting that we're open, tolerant, supportive and anti-racist throughout the depth and breadth of everything we do.

We're a product of our diverse city and we respect the fact that everyone we engage with wants to be their own self and has a right to be respected. We acknowledge and celebrate the fact that we're all different – race, ethnicity, religion, gender identity, sexual orientation, age, abilities and disabilities, social and economic background, health, vulnerabilities, and many more – and we seek to remove these as factors that might diminish, deny, withhold, judge or in any way to disadvantage. We recognise our responsibility to support each person through respect for them and their circumstances, and where possible to find ways to achieve equity of access and opportunity, with dignity.

These commitments apply to all our relationships, whether with service users, supporters, volunteers, visitors, staff, and each other. Where we get things wrong we will honestly and openly acknowledge that we need to understand more and do better, and seek to do so. Every day is a learning day for each of us and our organisation will become fairer and better as we learn together.'

In progressing this ambition, St Luke's has also established an EDI staff Working Group which represents the breadth and diversity of our organisation. The group is empowered to propose actions and has access to the resources to enable them (an initial fund of £100,000 has been created to help support proposals). The staff group reports to St Luke's Executive team which also seeks to enable initiatives that are identified.

In 2023, St Luke's commissioned an independent EDI Staff Survey to establish a benchmark for our organisation from which to build. We've now received the assessment report and are delighted to have achieved a 63% response rate. Some of the headlines are that:

- 92.5% of respondents indicated that they have a full or near-full understanding of what equality means in their work at St Luke's
- 57.2% of respondents felt that St Luke's is not particularly diverse as an employer
- 72.3% of respondents agreed or strongly agreed that St Luke's champions and fully role models inclusion and inclusive behaviours
- Many respondents praised the fact that St Luke's has set up its EDI Working Group and that action is being taken to improve equity, diversity and inclusion
- 91.8% of respondents would recommend St Luke's as an inclusive employer

The results are already being worked on by the Executive team and considered by the EDI staff Working Group. One area for action is the recruitment of an Equality Officer for a two year period to help us develop and improve. Other immediate initiatives such as the creation of a multi-faith prayer room are being pursued.

Environmental Impact and Sustainability statement

St Luke's is a charity that is all about caring. Just as we care for people, we also care for our environment, our neighbours and our impact on society.

As our journey to be a better organisation continues, we aspire to reduce the negative impact we have on our environment and to improve and grow the positive impact we have on our neighbourhood and society. We'll do this by developing our philosophy, improving our awareness and understanding, seeking best practice and establishing action plans to make improvements – seeking outcomes that can be measured against appropriate benchmarks and charters. We'll report our progress and celebrate our successes – and work harder on things that are difficult to achieve. By doing these things we'll demonstrate that we are a responsible citizen and we'll enhance sustainability for ourselves and those around us.

St Luke's recognises that this is a long-term journey with significant resource implications, and that we cannot change overnight. But our commitment is clear and we'll work as a team, and with partners, to combine big-ticket actions with small positive steps to progressively achieve our goal of a greener, more energy-efficient, and sustainable St Luke's in tune with our environment and community.

During the year we appointed an experienced Environmental Projects Officer on a two year contract to help us progress our various environmental and sustainability initiatives.

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 objectives:

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

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

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 President	Alex Pettifer MBE

Executive Team serving during the 2022-23 year

Peter Hartland
Chief Executive and Company Secretary

Kathryn Burkitt
Director of Income, Media and Marketing

	Jo Lenton Director of Care and Lead for Healthcare Partnerships
	Dr Sam Kyerematenge Medical Director and Clinical Lead for Programme Development
	Tony Saunders Director of Finance and Chief Operating Officer
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
	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
	Andrew Snelling Chair of the Resource and Finance Committee and Honorary Treasurer; member of the Nominations and Remuneration Committee
	Dr Mark Durling Member of the Healthcare Governance Committee and the Resource and Finance Committee

Shelley Garlington
Member of the Resource and Finance Committee

Steve Ned
Chair of the Nominations and Remuneration Committee (from 26 June 2023) and member of the Healthcare Governance Committee

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

Dr Suvira Madan (appointed 27 June 2022)
Member of the Healthcare Governance Committee, the Audit and Risk Committee, and the Research Committee

Professor Jon Wadsley (appointed 27 June 2022)
Chair of the Research Committee and member of the Healthcare Governance Committee

Nicky James (appointed 12 December 2022)
Member of the Healthcare Governance Committee and the Research Committee

Adrian Belton (appointed 20 March 2023)
Chair Designate

Dr Toni Schwarz (resigned 12 December 2022)
Member of the Healthcare Governance Committee and the Research Committee

Professor Sarah Thomas (deceased 18 May 2023)
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
Lady Kerslake
Sir Martyn Lewis CBE
Sir Hugh Sykes DL and Lady Sykes
Ruth Wilkes (daughter of our Founder, Professor Eric Wilkes OBE)

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, which was presented for HM The Queen by HM Lord-Lieutenant of South Yorkshire in 2019

Bankers	Svenska Handelsbanken AB (publ) Seventh Floor 3 St Paul's Place 129 Norfolk Street Sheffield S1 2JE
Solicitors	Knights plc Commercial House 14 Commercial Street Sheffield S1 2AT Freeths Fifth Floor 3 St Paul's Place 129 Norfolk Street Sheffield S1 2JE

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 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 25 September 2023.

N A MacDonald (Sep 28, 2023 14:14 GMT+1)

Neil MacDonald
Chair of the Board of Trustees

Andrew Snelling (Sep 28, 2023 14:40 GMT+1)

Andrew Snelling
Honorary Treasurer

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 2023 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 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor 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 annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

Auditor 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 charities 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:

- 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: www.frc.org.uk/auditorsresponsibilities. 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.

BHP LLP

BHP LLP (Sep 29, 2023 16:50 GMT+1)

Laura Masheder (Senior Statutory Auditor)
For and on behalf of BHP LLP, Statutory Auditor

2 Rutland Park
Sheffield
S10 2PD
Date: Sep 29, 2023

ST LUKE'S HOSPICE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)
YEAR ENDED 31 MARCH 2023

	Note	Unrestricted funds 2023	Designated funds 2023	Restricted funds 2023	Total funds 2023	Unrestricted funds 2022	Designated funds 2022	Restricted funds 2022	Total funds 2022
		£	£	£	£	£	£	£	£
Income from:									
Legacies and donations		**1,976,556**	**-**	**51,674**	**2,028,230**	3,959,890	-	66,382	4,026,272
Other trading activities:									
Special events and sundry sales		**424,041**	**-**	**-**	**424,041**	245,934	-	-	245,934
Charity shops		**3,409,877**	**-**	**-**	**3,409,877**	2,427,089	-	-	2,427,089
Lottery income		**851,774**	**-**	**-**	**851,774**	828,451	-	-	828,451
Education and research		**388,863**	**-**	**-**	**388,863**	334,221	-	-	334,221
Other income		**591,912**	**-**	**-**	**591,912**	807,809	-	-	807,809
CJRS scheme		**-**	**-**	**-**	**-**	25,639	-	-	25,639
Investment income	2	**127,947**	**-**	**-**	**127,947**	49,503	-	-	49,503
Charitable activities									
SYICB Contract		**3,427,399**	**-**	**-**	**3,427,399**	3,011,189	-	-	3,011,189
Subsidy of medicine & drugs costs		**96,040**	**-**	**-**	**96,040**	106,569	-	-	106,569
COVID-19 grants									
NHS England contractual funding		**-**	**-**	**-**	**-**	-	-	1,191,010	1,191,010
Other Covid-19 funding		**-**	**-**	**-**	**-**	111,005	-	-	111,005
Other funding		**-**	**-**	**-**	**-**	340,520	-	-	340,520
Other grant		**-**	**-**	**191,332**	**191,332**	-	-	189,364	189,364
		11,294,409	**-**	**243,006**	**11,537,415**	12,247,819	-	1,446,756	13,694,575
Expenditure on:									
Raising funds									
Legacies and donations	3	**406,651**	**1,753**	**-**	**408,404**	367,254	-	-	367,254
Special events and sundry sales	3	**386,036**	**1,720**	**-**	**387,756**	240,448	-	-	240,448
Charity shops	3	**2,509,299**	**1,104**	**-**	**2,510,403**	2,121,318	-	-	2,121,318
Lottery prizes and expenses	3	**356,110**	**-**	**-**	**356,110**	280,008	-	-	280,008
Investment management fees	3	**24,169**	**-**	**-**	**24,169**	16,896	-	-	16,896

ST LUKE'S HOSPICE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)
YEAR ENDED 31 MARCH 2023

	Note	Unrestricted funds 2023 £	Designated funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Expenditure on:									
Charitable activities									
Inpatient care	3	**4,946,086**	**159,935**	**158,379**	**5,264,400**	3,469,364	69,378	938,514	4,477,256
Medicine & drugs costs	3	**96,040**	**-**	**-**	**96,040**	106,569	-	-	106,569
Early support for terminal illness	3	**162,003**	**1,623**	**12,000**	**175,626**	141,631	-	-	141,631
Integrated community care services	3	**2,515,539**	**159,935**	**48,883**	**2,724,357**	1,509,672	46,536	449,594	2,005,802
Education and research	3	**438,119**	**682**	**-**	**438,801**	336,317	-	-	336,317
Total expenditure		**11,840,052**	**326,752**	**219,262**	**12,386,066**	8,589,477	115,914	1,388,108	10,093,499
Net income / (expenditure)	6	**(545,643)**	**(326,752)**	**23,744**	**(848,651)**	3,658,342	(115,914)	58,648	3,601,076
Gains on investments									
Realised		**(26,311)**	**-**	**-**	**(26,311)**	16,713	-	-	16,713
Unrealised	8	**(260,924)**	**-**	**-**	**(260,924)**	64,075	-	-	64,075
		(287,235)	**-**	**-**	**(287,235)**	80,788	-	-	80,788
Net income/(expenditure)		**(832,878)**	**(326,752)**	**23,744**	**(1,135,886)**	3,739,130	(115,914)	58,648	3,681,864
Transfer between funds	15/16	**(253,008)**	**276,752**	**(23,744)**	**-**	(357,266)	415,914	(58,648)	-
Other recognised losses									
Loss on revaluation of fixed assets	7	**(131,471)**	**-**	**-**	**(131,471)**	(61,991)	-	-	(61,991)
Net movement in funds		**(1,217,357)**	**(50,000)**	**-**	**(1,267,357)**	3,319,873	300,000	-	3,619,873
Funds balance at 1 April 2022		**13,328,559**	**1,800,000**	**-**	**15,128,559**	10,008,686	1,500,000	**-**	11,508,686
Funds balance at 31 March 2023	15/16	**12,111,202**	**1,750,000**	**-**	**13,861,202**	13,328,559	1,800,000	-	15,128,559

ST LUKE'S HOSPICE

BALANCE SHEET

AS AT 31 MARCH 2023

	Note	GROUP 2023 £	GROUP 2022 £	CHARITY 2023 £	CHARITY 2022 £
Fixed assets					
Tangible assets	7	**6,857,728**	6,751,386	**6,857,728**	6,751,386
Investments	8	**4,379,676**	4,671,740	**4,379,750**	4,671,814
		11,237,404	11,423,126	**11,237,478**	11,423,200
Current assets					
Stock – goods for resale		**78,909**	67,495	**78,909**	67,495
Debtors	9	**2,590,552**	3,501,098	**2,668,432**	3,571,708
Cash at bank and in hand	10	**3,310,842**	3,411,519	**3,213,139**	3,329,016
		5,980,303	6,980,112	**5,960,480**	6,968,219
Creditors: amounts falling due within one year	11	**(3,356,505)**	(3,224,292)	**(3,356,505)**	(3,224,292)
Net current assets		**2,623,798**	3,755,820	**2,603,975**	3,743,927
Total assets less current liabilities		**13,861,202**	15,178,946	**13,841,453**	15,167,127
Creditors: amounts falling due after more than one year	12	**-**	(50,387)	**-**	(50,387)
		13,861,202	15,128,559	**13,841,453**	15,116,740
Charity Funds					
General funds	19	**12,111,202**	13,328,559	**12,091,453**	13,316,740
Designated funds	15	**1,750,000**	1,800,000	**1,750,000**	1,800,000
Total unrestricted funds - Including investments revaluation reserve (£101,289 (2022: £158,767))	15	**13,861,202**	15,128,559	**13,841,453**	15,116,740

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 deficit of the charity is £1,287,176 (2022: surplus £3,607,984).

The financial statements were approved and authorised for issue by the Board on 25 September 2023.

Signed on behalf of the board of Trustees

N A MacDonald (Sep 28, 2023 14:14 GMT+1)

Andrew Snelling (Sep 28, 2023 14:40 GMT+1)

N MacDonald
Chair of the Board of Trustees

A E Snelling
Honorary Treasurer

The notes on pages 34 to 54 form part of these financial statements.
Company registration number: 00922448

ST LUKE'S HOSPICE

STATEMENT OF CASH FLOWS

AS AT 31 MARCH 2023

	Note	2023		2022	
		£	£	£	£
Cash flows from operating activities:					
Net cash flow provided by operating activities	**17**		**127,432**		2,829,278
Cash flows from Investing activities					
Interest received	**2**	**24,682**		313	
Dividends received	**2**	**103,265**		49,190	
Purchase of tangible fixed assets	**7**	**(361,078)**		(202,180)	
Proceeds from sale of fixed assets		**193**		250	
Purchase of investments	**8**	**(850,799)**		(2,777,496)	
Proceeds from sale of investments		**216,914**		484,385	
Net cash flow from investing activities			**(866,823)**		(2,445,538)
Increase in cash and cash equivalents in the year			**(739,391)**		383,740
Cash and cash equivalents as at 1 April 2022	**18**		**4,168,959**		3,785,219
Cash and cash equivalents as at 31 March 2023	**18**		**3,429,568**		4,168,959

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 2022-23 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 2023-24 financial year anticipate a deficit due to significant inflationary pressures on wages and other essential. 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 for the next 12 months following approval of these financial statements.

(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 deficit of the charity is £1,287,381 (2022: surplus £3,607,984). The summary financial performance of the charity alone is disclosed in note 23. The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only statement of cash flows in the consolidated financial statements.

(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) South Yorkshire Integrated Care Board

Income represents grants receivable from the South Yorkshire Integrated Care Board (SYICB) 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.

(ix) Dividends

The charity was gifted shares in a private limited company, the gifted shares have no voting rights, however they do have entitlement to dividends. The shares cannot be valued as they are not held on a listed investment stock exchange and cannot be transferred or exchanged. The dividends are recognised on a receivable basis.

(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.

Expenditure on raising funds includes all expenditure incurred by the group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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.

(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 charged 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) 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.

(q) 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.

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

	2023	2022
	£	£
Dividends and interest	**103,265**	49,190
Bank interest	**24,682**	313
	127,947	49,503

Income from investments in both years is unrestricted.

3. Analysis of expenditure

	Direct costs	**Support costs**	**Total 2023**	Total 2022
	£	**£**	**£**	£
Raising funds				
Legacies and donations	**305,242**	**103,162**	**408,404**	367,254
Special events and sundry sales	**317,527**	**70,229**	**387,756**	240,448
Charity shops	**2,429,942**	**80,461**	**2,510,403**	2,121,318
Lottery prizes and expenses	**307,118**	**48,992**	**356,110**	280,008
Investment management costs	**24,169**	**-**	**24,169**	16,896
	3,383,998	**302,844**	**3,686,842**	3,025,924
Charitable activities				
Inpatient care	**4,481,799**	**782,601**	**5,264,400**	4,477,256
Medicine and drugs	**96,040**	**-**	**96,040**	106,569
Early support for terminal illness	**148,069**	**27,557**	**175,626**	141,631
Integrated community care services	**2,258,547**	**465,810**	**2,724,357**	2,005,802
Education and training	**357,153**	**81,648**	**438,801**	336,317
	7,341,608	**1,357,616**	**8,699,224**	7,067,575
Total	**10,725,606**	**1,660,460**	**12,386,066**	10,093,499
2022 Total	8,746,984	1,346,515	10,093,499	

Included within support costs are governance costs of £98,937 (2022: £98,099) which are detailed in note 4.

Support costs totalling £1,660,460 (2022: £1,346,515) 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 2023 £	Total 2022 £
Strategic management	**79,327**	**-**	**79,327**	81,216
Legal, professional and support costs	**19,610**	**-**	**19,610**	16,883
	98,937	**-**	**98,937**	98,099
2022 Total	98,099	-	98,099	

5. Employment costs

	2023 £	2022 £
Staff costs		
Wages and salaries	**6,826,042**	5,658,503
Social security costs	**642,350**	503,840
Pension costs	**349,613**	298,907
	7,818,005	6,461,250

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

	Number of employees 2023	2022
£100,000-£110,000	**1**	1
£90,000-£100,000	**0**	0
£80,000-£90,000	**2**	1
£70,000-£80,000	**1**	1

During the year pension contributions on behalf of these employees amounted to £70,593 (2022: £69,183)

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 £460,902 (2022: £483,304).

Total redundancy payments amounted to £27,128 (2022: £nil) 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.

5. Employment costs – continued

	Head count - Average Number of employees	
	2023	2022
Ancillary	**37**	43
Medical and nursing	**65**	64
Allied Health Professional	**30**	27
Professional and technical	**28**	26
Fundraising	**10**	7
Administration	**15**	14
Shops	**68**	59
	253	240

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 2022-23, is £774,108 (2021-22: £606,584). 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:

	2023	2022
	£	£
Auditor's remuneration:		
Audit	**24,440**	20,073
Other Services	**-**	1,628
Hire of other assets – operating leases	**287,764**	265,348
Loss/(profit) on disposal of fixed assets	**785**	1,286
Impairment on revaluation of fixed assets	**131,741**	61,991
Depreciation	**122,287**	115,286

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		
	£	£	£	£	£	£	£
Cost/valuation							
At beginning of year	1,750,000	3,150,000	1,180,000	155,000	547,208	1,300,752	8,082,960
Additions	131,471	-	-	-	118,397	111,210	361,078
Disposals	-	-	-	-	-	(9,238)	(9,238)
Impairment	(131,471)	-	-	-	-	-	(131,471)
At end of year	1,750,000	3,150,000	1,180,000	155,000	665,605	1,402,724	8,303,329
Depreciation							
At beginning of year	-	-	-	-	378,390	953,184	1,331,574
Charge for the year	-	-	-	-	36,862	85,425	122,287
Disposals	-	-	-	-	-	(8,260)	(8,260)
Impairment	-	-	-	-	-	-	-
At end of year	**0**	**0**	**0**	**0**	**415,252**	**1,030,349**	**1,445,601**
Net book value							
At 31 March 2023	**1,750,000**	**3,150,000**	**1,180,000**	**155,000**	**250,353**	**372,375**	**6,857,728**
At 31 March 2022	1,750,000	3,150,000	1,180,000	155,000	168,818	347,568	6,751,386

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.

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:

	2023		2022	
	Freehold property	**Long leasehold property**	**Freehold property**	**Long leasehold property**
	£	**£**	**£**	**£**
Cost	**16,262,910**	**168,271**	16,315,587	168,271
Accumulated impairment (losses)/gains	**(7,452,492)**	**41,074**	(7,321,022)	41,074
Accumulated depreciation	**(2,730,418)**	**(54,345)**	(2,914,565)	(54,345)
Net book value	**6,080,000**	**155,000**	6,080,000	155,000

Freehold land and buildings were subject to independent, professional valuation as at March 2022. The valuation was undertaken by Lambert Smith Hampton. The valuations have been performed on an open market basis. Management are of the opinion that the value of these assets has not changed since revaluation.

8. Fixed asset investments

	Group		Charity	
	2023	**2022**	**2023**	**2022**
Listed Investments:	**£**	**£**	**£**	**£**
Market value at beginning of year	**3,914,290**	1,540,386	**3,914,290**	1,540,386
Additions	**850,799**	2,777,496	**850,799**	2,777,496
Disposals	**(243,225)**	(467,667)	**(243,225)**	(467,667)
Net investment gains / (losses)	**(260,924)**	64,075	**(260,924)**	64,075
Market value at end of year	**4,260,940**	3,914,290	**4,260,940**	3,914,290
Investment cash	**118,726**	757,440	**118,726**	757,440
Market value at end of year	**4,379,666**	4,671,730	**4,379,666**	4,671,730
Unlisted investments	**10**	10	**84**	84
	4,379,676	4,671,740	**4,379,750**	4,671,814
Historical cost of listed investments	**4,362,173**	3,755,427	**4,362,173**	3,755,427

8. Fixed asset investments (continued)

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

	Note	Country of incorporation	Principal activity	Class and percentage of shares held
Subsidiary undertaking				
St Luke's Options Limited	22	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	
	2023	**2022**	**2023**	**2022**
	£	**£**	**£**	**£**
Trade debtors	**698,445**	718,952	**698,445**	718,952
Income tax recoverable	**244,453**	99,245	**244,453**	99,245
Prepayments and accrued income	**1,450,788**	2,506,156	**1,450,788**	2,506,156
Other debtors	**196,866**	176,745	**196,866**	176,745
Amounts owed by group undertakings		-	**77,880**	70,610
	2,590,552	3,501,098	**2,668,432**	3,571,708

10. Cash and Bank

	Group		Charity	
	2023	**2022**	**2023**	**2022**
	£	**£**	**£**	**£**
Cash at bank	**3,306,206**	3,406,872	**3,208,503**	3,324,369
Cash in hand	**4,636**	4,647	**4,636**	4,647
	3,310,842	3,411,519	**3,213,139**	3,329,016

11. Creditors: amounts falling due within one year

	Group		Charity	
	2023	2022	**2023**	2022
	£	**£**	**£**	**£**
Trade creditors	**478,579**	496,829	**478,579**	496,829
Other creditors	**202,678**	165,250	**202,678**	165,250
Taxation and social security	**169,108**	135,071	**169,108**	135,071
Accruals and deferred income (note 13)	**2,506,140**	2,427,142	**2,506,140**	2,427,142
	3,356,505	3,224,292	**3,356,505**	3,224,292

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

	2023	**2022**
	£	**£**
Group and Charity		
Other creditors	**-**	50,387

13. Deferred income

	£
Group and Charity	
Balance at 1 April 2022	**1,522,755**
Amount released to SOFA	**(16,300)**
Amounts utilised in the year	**(1,117,227)**
Amount deferred in the year	**574,106**
Balance at 31 March 2023	**963,334**

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.

14. Commitments

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

	2023	**2023**	**2022**	**2022**
	Land and buildings	**Plant**	**Land and buildings**	**Plant**
	£	**£**	**£**	**£**
Within one year	**216,451**	**7,434**	174,530	4,507
Two to five years	**444,436**	**13,009**	310,819	1,850
Over five years	**-**	**-**	-	-
	660,887	**20,443**	485,349	6,357

15. Summary of movement in funds

	Unrestricted fund £	Designated fund £	Restricted fund £	Total £
Fund balance at 1 April 2022	**13,328,559**	**1,800,000**	**-**	**15,128,559**
Income	**11,294,409**	**-**	**243,006**	**11,537,415**
Expenditure	**(11,840,052)**	**(326,752)**	**(219,262)**	**(12,386,066)**
Investment gains	**(287,235)**	**-**	**-**	**(287,235)**
Transfers	**(253,008)**	**276,752**	**(23,744)**	**-**
Revaluation on fixed assets	**(131,471)**	**-**	**-**	**(131,471)**
Fund balance at 31 March 2023	**12,111,202**	**1,750,000**	**-**	**13,861,202**

	Unrestricted fund £	Designated fund £	Restricted fund £	Total £
Fund balance at 1 April 2021	10,008,686	1,500,000	-	11,508,686
Income	12,247,819	-	1,446,756	13,694,575
Expenditure	(8,589,477)	(115,914)	(1,388,108)	(10,093,499)
Investment losses	80,788	-	-	80,788
Transfers	(357,266)	415,914	(58,648)	-
Revaluation on fixed assets	(61,991)	-	-	(61,991)
Fund balance at 31 March 2022	**13,328,559**	**1,800,000**	**-**	**15,128,559**

15. Analysis of movement in unrestricted funds (continued)

Group	General Fund £	Research and Education £	Strategic £	Environment & Sustainability £	IT and Digital Transformation £	Total 2023 £
Fund balance at 1 April 2022	13,328,559	250,000	250,000	300,000	1,000,000	**15,128,559**
Income	11,294,409	-	-	-	-	**11,294,409**
Expenditure	(11,840,052)	-	(23,717)	(8,744)	(294,291)	**(12,166,804)**
Revaluation on fixed assets	(131,471)	-	-	-	-	**(131,471)**
Other recognised gains	(287,235)	-	-	-	-	**(287,235)**
Transfer to unrestricted funds	-	-	-	-	-	**-**
Transfers to designated funds	(276,752)	-	123,717	8,744	144,291	**-**
Transfers from restricted funds	23,744	-	-	-	-	23,744
Fund balance at 31 March 2023	**12,111,202**	**250,000**	**350,000**	**300,000**	**850,000**	**13,861,202**

Charity	General Fund £	Research and Education £	Strategic £	Environment & Sustainability £	IT and Digital Transformation £	Total 2023 £
Fund balance at 1 April 2022	13,316,740	250,000	250,000	300,000	1,000,000	15,116,740
Income	11,479,176	-	-	-	-	11,479,176
Expenditure	(12,020,894)	-	(23,717)	(8,744)	(294,291)	(12,347,646)
Devaluation on fixed assets	(131,471)	-	-	-	-	(131,471)
Investment losses	(287,235)	-	-	-	-	(287,235)
Transfers to unrestricted funds	-	-	-	-	-	-
Transfers to designated funds	(276,752)	-	123,717	8,744	144,291	-
Transfer from restricted funds	-	-	-	-	-	-
Gift aid from subsidiary company	11,889	-	-	-	-	11,889
Fund balance at 31 March 2023	**12,091,453**	**250,000**	**350,000**	**300,000**	**850,000**	**13,841,453**

15. Analysis of movement in unrestricted funds (continued)

Group	General Fund	Research and Education	Strategic	IT Infrastructure	IT and Digital Transformation	Recovery Covid-19	Total 2022
	£	£	£	£	£	£	£
Fund balance at 1 April 2021	10,008,686	150,000	400,000	200,000	-	750,000	11,508,686
Income	12,247,819	-	-	-	-	-	12,247,819
Expenditure	(8,589,477)	(23,599)	-	-	-	(92,315)	(8,705,391)
Revaluation on fixed assets	(61,991)	-	-	-	-	-	(61,991)
Other recognised gains	80,788	-	-	-	-	-	80,788
Transfers to unrestricted funds	-	-	-	-	-	-	-
Transfers to designated funds	(415,914)	123,599	(150,000)	(200,000)	300,000	342,315	-
Transfers from restricted funds	58,648	-	-	-		-	58,648
Fund balance at 31 March 2022	13,328,559	250,000	250,000	-	300,000	1,000,000	15,128,559

Charity	General Fund	Research and Education	Strategic	IT Infrastructure	IT and Digital Transformation	Recovery Covid-19	Total 2022
	£	£	£	£	£	£	£
Fund balance at 1 April 2021	10,001,329	150,000	400,000	200,000	-	750,000	11,501,329
Income	13,633,879	-	-	-	-	-	13,633,879
Expenditure	(9,928,778)	(23,599)	-	-	-	(92,315)	(10,044,692)
Devaluation on fixed assets	(61,991)	-	-	-	-	-	(61,991)
Other recognised gains	80,788	-	-	-	-	-	80,788
Transfers to unrestricted gains	-	-	-	-	-	-	-
Transfers to designated funds	(415,914)	123,599	(150,000)	(200,000)	300,000	342,315	-
Transfers from restricted funds	-	-	-	-	-	-	-
Gift aid from subsidiary company	7,427	-	-	-	-	-	7,427
Fund balance at 31 March 2022	13,316,740	250,000	250,000	-	300,000	1,000,000	15,116,740

15. 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 the 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** fund combines a number of important strategic initiatives including c. £100k to support initiatives around Equality, Diversity and Inclusion.

The **Environment and Sustainability** fund is held to provide investment to enable St Luke's aspirations to de-carbonise and become a more environmentally sustainable organisation. A number of initiatives are underway with a programme of activity planned over the next three years.

The **IT and Digital Transformation** fund is held to unify and streamline our clinical systems, to improve analytics and use of data, to advance the digital readiness and maturity of our non-clinical systems, and to enable essential investment in our IT infrastructure and estate.

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

16. Analysis of movement in restricted funds

Group and Charity	NHSE funding £	Support a Nurse £	HEYH Deanery funding £	Other £	Total 2023 £
Fund balance at 1 April 2022	-	-	-	-	-
Income	-	2,680	191,332	48,994	243,006
Expenditure	-	(2,680)	(191,332)	(25,250)	(219,262)
Transfers	-	-	-	(23,744)	(23,744)
Fund balance at 31 March 2023	**-**	**-**	**-**	**-**	**-**

Group and Charity	NHSE funding £	Support a Nurse £	HEYH Deanery funding £	Other £	Total 2022 £
Fund balance at 1 April 2021	-	-	-	-	-
Income	1,191,010	2,484	189,364	63,898	1,446,756
Expenditure	(1,191,010)	(2,484)	(189,364)	(5,250)	(1,388,108)
Transfers	-	-	-	(58,648)	(58,648)
Fund balance at 31 March 2022	**-**	**-**	**-**	**-**	**-**

NHSE Funding

The NHSE awarded funding to allow St Luke's to make available bed capacity and community support from December 2021 to March 2022 to provide support to people with complex needs in the context of the Covid-19 situation.

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 2022-22.

16. 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 2023
	£
Funding for capital assets	**23,744**
Funding for revenue expenditure	**25,250**
	48,994

17. Reconciliation of net income to net cash flow from operating activities

	2023	2022
	£	£
Net (expenditure)/income for the year before investment gains/(losses)	**(848,651)**	3,601,076
Return on investments	**(127,947)**	(49,503)
Depreciation charge	**122,287**	115,286
Loss on disposal of fixed assets	**785**	1,286
(Increase)/decrease in stocks	**(11,414)**	84,645
Decrease/(increase) in debtors	**910,546**	(1,284,174)
Increase in creditors	**81,826**	360,662
Net cash flow provided by operating activities	**127,432**	2,829,278

18. Analysis of cash and cash equivalents

	At beginning of year	Cashflow	At end of year
	£	£	£
Cash at bank and in hand	**3,411,519**	**(100,677)**	**3,310,842**
Cash held as investments	**757,440**	**(638,714)**	**118,726**
	4,168,959	**(739,391)**	**3,429,568**

19. Analysis of assets between funds

2023	Unrestricted funds	Designated funds	Total 2023
	£	£	£
Tangible fixed assets	**6,857,728**	**-**	**6,857,728**
Investments	**4,379,676**	**-**	**4,379,676**
Current assets	**4,230,303**	**1,750,000**	**5,980,303**
Creditors: amounts falling within one year	**(3,356,505)**	**-**	**(3,356,505)**
Creditors: amounts falling due in greater than one year			
	12,111,202	**1,750,000**	**13,861,202**

2022	Unrestricted funds	Designated funds	Total 2022
	£	£	£
Tangible fixed assets	6,751,386	-	6,751,386
Investments	4,671,740	-	4,671,740
Current assets	5,180,112	1,800,000	6,980,112
Creditors: amounts falling within one year	(3,224,292)	-	(3,224,292)
Creditors: amounts falling due in greater than one year	(50,387)	-	(50,387)
	13,328,559	1,800,000	15,128,559

20. Related party transactions

No remuneration has been paid to any Trustee (2022: £nil). Expenses totalling £nil (2022: £811) were paid to a third party on behalf of two Trustees for legitimate business expenditure incurred during the year to attend a conference, in connection with the running of St Luke's affairs.

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 included within insurance costs.

During the year the charity has incurred room hire costs of £nil (2022: £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 (2022: £nil).

During the year, a gift aid distribution totalling £11,887 (2022: £7,427) was received from St Luke's Options Limited. St Luke's Options Limited is 100% subsidiary of the charity. At the year end £77,880 was owed to the charity and was included in other debtors (2022: £70,610).

21. 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 2019 and noted a notional deficiency of £19.4bn (7% of notional fund value). The employer's contribution rate increased from 14.38% to 21.68% from 1 April 2019. In the year to 31 March 2023, the uplift continued to be funded by the Department of Health and Social Care.

The total employer contribution payable in 2022-2023 was £53,703 (£41,429 for 2021-22). £8,661 was outstanding at the year end (2022: £3,215). In addition, employees who are members of the Scheme paid salary dependent variable contributions in the range 6.1% 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 2022 is based on an assessment of the liabilities as at 31 March 2019, with an approximate updating to 31 March 2022 to reflect known changes. The latest assessment of the liabilities of the Scheme is contained in the Scheme Actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Resource Account, published annually. These accounts can be viewed on the NHS Pensions website. Copies can also be obtained from the Stationery Office.

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

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

Group Personal Pension Scheme

Excluding those employees for whom St Luke's continue to make contributions to the NHS superannuation scheme, all other St Luke's employees are enrolled into the Group Pension Scheme arranged by Scottish Widows which they may opt out of at their request. St Luke's makes an employer contribution which matches the employees contribution within the parameters of the scheme. These pension funds are assets of the individual and St Luke's has no liability nor interest in the value of each fund. St Luke's contributions are released to the SOFA as they are incurred. Contributions made during the year were £268,407 (2022: £231,335). £24,588 was outstanding at the year- end (2022: £38,326).

21. 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 £27,503 (2022: £25,415). £2,310 was outstanding at the year-end (2022: £2,143).

22. St Luke's Options Limited

Profit and loss account

For the year ended 31 March 2023	**2023**	**2022**
	£	**£**
Turnover	**58,239**	60,696
Cost of sales	**(6,208)**	(14,088)
Gross profit	**52,031**	46,608
Administrative expenses	**(32,212)**	(34,721)
Retained profit for the year	**19,819**	11,887

Net assets at the year end were £19,821 (2021: £11,889). The principal activity of St Luke's Options Limited is to trade for the benefit of St Luke's.

23. 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 2023

	2023	**2022**
	£	**£**
Income	**11,479,176**	13,633,879
Expenditure	**(12,347,646)**	(10,044,692)
Net Income	**(868,470)**	3,589,187
Other recognised gains	**(287,235)**	80,788
Net income	**(1,155,705)**	3,669,975
Impairment of fixed assets	**(131,471)**	(61,991)
Net movement in funds	**(1,287,176)**	3,607,984
Total funds brought forward	**15,116,740**	11,501,329
Gift aid from subsidiary company	**11,889**	7,427
(Deficit)/ surplus for the financial year	**(1,287,176)**	3,607,984
Total funds carried forward	**13,841,453**	15,116,740
Represented by:		
Unrestricted funds	**13,841,453**	15,116,740
Restricted funds	**-**	-
	13,841,453	15,116,740

ST LUKE'S HOSPICE

England & Wales - Charity number 254402

Accounts

ST LUKE'S HOSPICE
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022

St Luke's

Sheffield's Hospice

Charity registration number: 254402
Company registration number: 00922448

ST LUKE'S HOSPICE

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

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ST LUKE'S HOSPICE

CHAIR'S REPORT 2021-22

YEAR ENDED 31 MARCH 2022

Welcome

I am delighted to present the 2021-22 Annual Report and Financial Statements for St Luke's.

I have recently entered my tenth year as a Trustee of this essential and pioneering charity and I have been the Chair of the Board for the last five years. During this time I have seen the difference that St Luke's makes to individuals, to families, and to the great City of Sheffield. However, I have never been so proud as over the last two years when St Luke's has continued to be there for people with end of life conditions throughout the pandemic. Our patients and families have needed us more than ever and we have been there for them. The scale and complexity of care provided has not been reduced. This has been an extraordinary achievement by everyone at St Luke's.

Our care

Over the last year we have supported nearly 1,800 patients across the city and their families. That care and support has been there for everyone in Sheffield irrespective of faith, wealth, background or postcode.

This short Chair's Report can't possibly cover all the fantastic work that has been done by our clinical teams over the last year, but please do read the Trustees' Report that follows which summarises some of our key achievements. I would, however, like to shine the spotlight on the incredible work of our Specialist Palliative Care Community team.

In 2021-22 85% of the people we cared for were supported by our teams in their own home or care home. Home is often where people are most comfortable and we support our patients to have flexible choices about where they are looked after, including enabling some to die at home, if that is their preference. This is only possible because of the tireless work of our Community team who made 6,289 in-person home visits and 11,838 phone and video calls to support them in their care. We took the decision to invest a further £200,000 in community nurses during the year, meaning that we now have a team of 24, which is the largest community nursing team that we have ever had. This investment has only been possible through the financial stability gained over the last few years in which we have been able to increase our financial reserves in order to expand our model of care.

The following quote is from the family member of a St Luke's patient, and I think it describes very well the difference that our community team make:

"St Luke's made everything possible for us to care for our mum at home. If there was a problem they found a way round it, nothing was too much trouble. They made mum feel special and she enjoyed their visits. Words cannot say how grateful I am for St Luke's."

Our finances

We made a strong surplus in 2021-22. This is great news as it provides a platform for continued investment in our clinical services and means that we are in a stronger position to weather the significant cost pressures that are facing all charities and healthcare providers in 2022. It has also meant that we have been able to progress some really important strategic projects, outside of our normal operating budgets. As an example, in 2021 we commenced a £750,000 project to unify and invest in our clinical systems to improve efficiency, reduce clinical risk, and further enhance patient care.

We have had another excellent year for legacy income. People who so kindly leave us bequests in their wills play a vital part in funding St Luke's. Our recent average legacy income has been around £1.5m per year, but in 2021-22 we received a fantastic £2.7m, following on from £2.1m in 2020-21. We hold the deepest gratitude to all those who remember St Luke's in their wills.

ST LUKE'S HOSPICE

CHAIR'S REPORT 2021-22

YEAR ENDED 31 MARCH 2022

For every pound that we spend on fundraising in 2021-22, we received £5.75 in fundraised income. This is an exceptional return and it is only right that I congratulate not only our fundraising teams, but also all the volunteers and supporters that made this financial contribution to our care possible.

Some sources of income, such as the funding from the UK Government, via our national charity Hospice UK, specifically to enable the discharge of patients from acute hospital settings during the Omicron wave, will not repeat in the coming year and with significant inflationary pressures on our costs, we are budgeting for a financial deficit in 22/23.

Our Board

I would like to welcome a number of new Trustees to the Board of St Luke's. Dr Mark Durling (a former GP), Shelley Garlington (nursing and business development), Steven Ned (NHS director), and Angus Ridge (civil engineer) all joined during the year. Shortly after the financial year end we also welcomed Dr Survira Madan (Consultant Orthogeriatrician) and Professor Jon Wadsley (Consultant Clinical Oncologist) to the Board of St Luke's.

With these excellent additions to our Board we now have 18 Trustees. This is a larger number than we have had for many years, but it is for good reason; we have a number of long serving Board members standing down over the next year or two – myself included – as our terms of service come to an end. It is really important that we maintain a strong Board of Trustees with a good mix of skills and experience that encompasses both our clinical and business operations and with the new additions that we have made to the Board I am confident that St Luke's will continue to be well governed for many years to come.

I would like to thank all our Trustees for their commitment to St Luke's and for volunteering their time in governing the charity. On behalf of the Trustees, I congratulate St Luke's Executive Team for another successful year in which the charity has continued to grow and mature. I would like to thank Helen Day, who stepped down from her role as Director of People and Culture in late March, for all her hard work at St Luke's over a six year period, which included leading our HR and Volunteering teams through the pandemic. The Board of Trustees join me in wishing Helen all the best for her future endeavours.

Thank you!

Finally, and most importantly, I would like to thank all the supporters, volunteers, staff and everyone involved with St Luke's.

We are celebrating our 50th anniversary in 2022 and, with the continued support of the people of Sheffield, we will be here for another 50 years and beyond.

Neil MacDonald
Chair of the Board of Trustees
St Luke's Hospice, Sheffield
Date: 26 September 2022

ST LUKE'S HOSPICE

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

YEAR ENDED 31 MARCH 2022

The Trustees present their report and the audited financial statements of the charity for the year ended 31 March 2022. 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 the 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.

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.

As we 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 our Patient and Family Support services at both our Little Common Lane and Ecclesall Road South sites, as we continue to provide outstanding palliative care to some of the most vulnerable people in Sheffield.

St Luke's will be reviewing its strategy during 2022-23 as the financial sustainability and operational demands of the post-pandemic environment become clearer.

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. Care of patients with non-cancer illnesses has risen to over 31% for the 2021-22 year from 30% last year.

Overall, our clinical teams helped 1,758 individual patients (2020-21: 1,905), through 2,552 spells of care (2020-21: 2,864). The small reduction in numbers compared to 2020-21 reflects the impact of the new community triage process, where inappropriate referrals are declined prior to any visit taking place, thus ensuring that specialist palliative care is applied only to those who need it. With 51% of referrals to our Community team being labelled as 'urgent,' and with complexity, acuity and dependency of patients continuing to show deterioration compared to previous years, the demand for St Luke's services remains extremely high and at times through the year the pressure on services reaches a level where the ability to accept further cases is in question. The investment by St Luke's Board in more resources for our community services, and the appointment of a new consultant funded by St Luke's charitable income, will both help to manage these pressures better in the future.

St Luke's role as a 'provider of last resort' for many crisis cases continues to support the healthcare system in the city. This has been particularly true through the year, when often other services have seen their staffing levels adversely affected by Covid with a consequent reduction in their ability to support the most challenging cases. Managing such patients and their complex situations continues to put significant demands – including emotional demands – on our teams.

Some service highlights for 2021-22 are as follows:

General	• Over 31% of our patients have a non-cancer diagnosis • 1,758 patients were cared for by clinical teams
Community team	• In the year our teams made 6,289 visits to patients at home and in care homes across Sheffield, and 11,838 phone and video calls to them in support of their care • St Luke's received 2,393 referral requests to our community service from GPs and other healthcare professionals, a 10% increase on the prior year • 33% of visits were to patients who required urgent care from our Intensive Treatment Team • St Luke's continues to provide specialist nutritional and individually designed food and drink packages to around 15 community patients each week, free of charge
In Patient Centre (IPC)	• 24 hour care and support by our team of specialist nursing, medical and health professional staff • Over the last 12 months, we cared for 316 patients at our IPC (302 admissions) • During the year, we provided 4,934 days of care on the IPC • On average, each patient stayed at the IPC for 16 days with 32% able to return home after specialist intervention treatment
Bereavement Support team	• 570 relatives were supported with bereavement counselling and supported after the death of a loved one • The Bereavement team of staff and volunteers delivered 2,764 sessions with clients in the year

New Initiatives

Whilst keeping our core services running through the pandemic and its aftermath has been the focus of work across 2021-22, St Luke's has progressed a number of new initiatives and commitments, additional to our regular activities. In most cases, the resources needed for these initiatives have been allocated from our charitable income sources and reserves, with St Luke's trustees keen to offer extended support to our communities to help cope with additional demand upon services as the true impact of the pandemic is revealed.

- Expanding our Community team and creating a new triage service – following a significant increase in demand from GPs for support from St Luke's Community team during the year, St Luke's Board supported a £200k per annum increase to the team's annual staffing budget, to allow an increase in resources, an upskilling to capabilities, and more speciality support. Included within these changes was the creation of a dedicated triage team, tasked with reviewing each new referral to ensure that it is appropriate to St Luke's services, and directing each to the most appropriate resource – improving the experience for the patient and family whilst ensuring that inappropriate referrals are signposted to other services rather than tying up scarce specialist palliative care resources.

- St Luke's Patient and Family Support service – during the pandemic, St Luke's was forced to suspend its traditional day care services provided from the Active Intervention Centre at Little Common Lane, and our range of support and activities for patients and families delivered from our centre on Ecclesall Road South (formerly known as 'Clifford House'). A review of the services undertaken during this period has given rise to a new combined approach, the Patient and Family Support service, or 'PAFS.' The PAFS service will offer a range of care and support for community-based patients and families (including those requiring bereavement

counselling), including access to clinics, therapies, rehabilitative services, wellbeing sessions, group activities, and social interaction – built on 6-week 'sessions.' Referrals will be accepted from GPs and other health services, as well as from St Luke's own practitioners. We expect the PAFS service to make a significant contribution in allowing patients (and their families) to cope with the progression of their illness at home, to prepare for later deterioration, and to benefit from enhanced wellbeing across their end of life journey and for loved ones through bereavement. We expect the PAFS service to build up from March 2022 and plan to support up to 500 patients through 6-week sessions in the first year.

- Compassionate Sheffield – St Luke's is one of three 'funding partners,' with NHS Sheffield CCG and Sheffield City Council (through the Public Health Directorate), for the Compassionate Sheffield programme which is being developed to provide a wider framework for community support to enable better experiences around end of life. Compassionate Sheffield will work with individuals, communities, organisations and services to connect those who want help to those who can help. St Luke's is also acting as host to the Compassionate Sheffield team.

- Environmental working group – St Luke's has set up a staff-based environmental working group to take forward our vision and strategy in this vital area. Just as we care for people, we also care for our environment, our neighbours and our impact on society. As our journey to be a better organisation continues, we aspire to reduce the negative impact we have on our environment and to improve and grow the positive impact we have on our neighbourhood and society, seeking outcomes that can be measured against appropriate benchmarks and charters. Our aim is to demonstrate that we are a responsible citizen and to enhance sustainability for ourselves and those around us. This is a long-term journey with significant resource implications. We cannot change overnight - but our commitment is clear and we'll work progressively to achieve our goal of a greener, more energy-efficient and sustainable St Luke's in tune with our environment and community.

- Providing more chaplaincy resources for patients and families – St Luke's chaplaincy services provide essential support to patients and families of all beliefs and none, addressing spiritual needs and opportunities for reflection and contemplation at a time of extraordinary stress – before, during and after death. The pandemic has raised demand for these services, and the post-pandemic situation has seen more patients and families seeking support as a result of crisis, anxiety and prolonged concerns about death and dying. St Luke's has therefore created an additional chaplaincy post to increase access to these professional services, funded from our charitable income.

- Introducing a new incident and accident reporting system – in order to streamline paper and computer-based systems, St Luke's has introduced a unified incident and accident reporting system to cover all aspects of its clinical and non-clinical activities. The 'Vantage Sentinel' system is used in a wide variety of settings and organisations, and through bespoke development has been adapted to St Luke's environment, allowing easy reporting and automated tracking of investigation and outcomes for incidents, accidents and near misses, including escalation of serious incidents. A range of reports allows effective analysis and monitoring for operational and governance purposes.

- Investing in a new clinical electronic patient record system – In 2005, St Luke's - together with the Department of Palliative Medicine at Sheffield Teaching Hospitals (STH) - developed a new electronic record system for palliative care patients based around the Infoflex system. Since then, the system has been developed by St Luke's into a comprehensive record and workflow tool. However, with other record systems becoming more common in Sheffield, and with a need to have access to patient records between healthcare providers (particularly GPs), St Luke's is now undertaking a feasibility exercise with a view to migrating to a new electronic patient record ('EPR') which will facilitate a more efficient exchange of information for the benefit of patient

care. St Luke's has committed c.£750k of reserves to this project with a planned implementation date by 2023. We are grateful for the support given by NHS Sheffield CCG towards this programme.

- Recruiting a new consultant – St Luke's engages a dedicated team of specialist palliative care consultants to help deliver excellent care as part of our wider clinical team. Our consultants are employed by STH and St Luke's pays for the time they spend with our charity. As patient numbers at St Luke's have grown, so have the demands on our consultants, and the need for additional resources that can be deployed under our own management has become a critical issue. St Luke's has therefore recruited its first consultant to be employed directly by our charity, helping to increase the support we can offer to patients in the community, and funded through our charitable resources.

Care Quality Commission (CQC) oversight

St Luke's is required to register with the CQC given the nature of the services we offer to patients. Our registration was amended during the year at the request of the CQC and we are now registered under the following regulated activity category: the treatment of disease, disorder or injury.

During the year, St Luke's has not been the subject of inspection or visit by the CQC, although there has been regular monitoring through online and telephone meetings, in particular to introduce new inspectors to our services. St Luke's receives regular advice and updates from the CQC.

St Luke's was last inspected by the CQC in October 2016 when inspectors paid an unannounced visit to assess compliance with the legal requirements and regulations under the Health and Social Care Act 2008. The CQC's report, published in January 2017 gave the following results below:

Overall rating for this trust	Outstanding
Is the service safe?	Good
Is the service effective?	Outstanding
Is the service caring?	Good
Is the service responsive?	Outstanding
Is the service well-led?	Outstanding

The full report can be viewed at: www.cqc.org.uk/location/1-108415043

Financial Overview

After a dramatic first year of the pandemic in 2020-21 when St Luke's finances came under initial severe pressure, the financial year 2021-22 has been much more stable, with less of our income under threat from lockdown closures and most of our regular income streams re-establishing themselves as the year progressed.

It is worth recapping as we move back to 'business as usual' that in normal circumstances, St Luke's receives around 30% of its annual income from NHS Sheffield CCG (now replaced by the South Yorkshire Integrated Care Board or 'SY-ICB'), with the rest – in excess of £7.5m – being raised from predominantly local voluntary means, including our charity retail shops, general fundraising activities, legacies, our hospice lottery, and various other contracts and services.

In 2021-22, these sources were supplemented by three significant additional elements. Firstly, St Luke's received settlement on its business interruption claim in respect of the original retail lockdown in 2020, following a Supreme Court judgement. Secondly, St Luke's received specific and targeted funding from NHS Sheffield CCG to support system-wide winter pressures across the Omicron period, to ensure that St Luke's could maintain its capacity and offer additional bed space at peak times. Thirdly, St Luke's has received special funding from the UK Government, via our

national charity Hospice UK, specifically to enable the discharge of patients from acute hospital settings during the Omicron wave, either to community or hospice-based settings. We are grateful to both NHS Sheffield CCG and the UK Government for their support during this difficult period, ensuring the stability and sustainability of our caring services when there were particular challenges, especially staffing absence across multiple settings.

Cost pressures are clearly mounting and whilst we appreciate the continued linkage of our NHS funding to general wage inflation within the NHS, this only covers around 20% of the general inflationary pressures we currently face. At the time of writing UK inflation is projected to exceed 10%, with particular pressures around the retention and recruitment of staff, in energy and fuel markets, and in the cost of food. These areas account for around 75% of St Luke's costs and as a result we expect our underlying cost base to rise by around £0.5m in the year ahead.

Whilst we emerge from 2021-22 with a strong surplus which builds our reserves to aid in future sustainability, we are forecasting a budgeted deficit of £0.6m in 2022-23 as a result of these inflationary pressures which arise at a time when our income streams are still recovering from the pandemic period. However, we have reserves that can both withstand the recovery period and also fund a number of key initiatives that are mentioned above, including the expansion of the Community team and the investment in clinical IT systems through the introduction of a new electronic patient record (and planning for the introduction of e-prescribing).

We are grateful to SY-ICB for its continuing help in providing core funding and committing to inflationary uplift, as well as for its funding of specific projects in the year. St Luke's receives no centralised funding for capital programmes (and is unable to apply for many such funding opportunities available to hospitals), and so special funding is extremely helpful.

The passing of the Health and Care Act in 2022 established the legal framework for the termination of CCGs and the transfer of responsibilities and obligations to Integrated Care Boards. These changes present uncertainties to the model for hospice funding but we are reassured by the continued support of SY-ICB and we hope and believe that this new body is equally committed to the principles of hospice care as its predecessor, which have been so supportive to local health systems and economies. **It is vital that hospices are not forgotten in this transition.**

Our income overall increased by £0.9m to £13.7m in the year to 31 March 2022. The following summarises the main factors behind this increase in income:

- Legacies and donations – increased by £0.2m. We have recorded a second year of exceptionally high legacy income (£2.7m in 2021-22 and £2.1m in 2020-21. We do not expect these recent high levels of income from gifts in wills to continue and are budgeting for £1.25m for 2022-23 which is closer to our five-year average income position.
- Special events and sundry sales – continued at a similar low level (£0.2m) to the prior year as we could not hold our 'in person' calendar of events due to the pandemic.
- Charity shop sales – increased by £1.8m to £2.4m as the chain was re-opened during the year. We still suffered losses in sales through intermittent restrictions on trade caused by the Government's response to the pandemic and social distancing rules were in place for much of the financial year.
- Coronavirus Job Retention Scheme funding – this income stream reduced by £0.6m from the prior year as the scheme funding came to an end.
- Other income is up £0.6m on 2020-21, the main variance being the Business Interruption Insurance claim for loss of revenue during the pandemic that was received during the year.
- CCG contract – increased by £0.2m, being the final of three years of agreed increases in baseline contract value plus inflation.
- NHS England Contractual Funding – this non-repeating funding of £1.2m, down from £2.7m in the prior year, is St Luke's element of the restricted NHSE funding for the sector.

- Other Covid-19 Funding – at £0.1m it is around half the level of the prior year and represents a combination of retail rates grants and the reimbursement of PPE and other essential pandemic expenditure by the CCG.
- Other funding – this income line represents income received from NHS Sheffield CCG in respect of 'Winter pressure discharge' funding and is £0.1m higher than 2020-21 at £0.3m.

Expenditure on raising funds increased by £0.6m in the year, as the shop chain re-opened and various fundraising initiatives began to re-start. Given that income to which this expenditure relates increased by over £2m, the increase in expenditure is proportional and well managed.

Our expenditure on charitable activities – front line care – remained relatively steady at £7.1m. Expenditure on direct costs accounted for over 87% (86% in 2020-21) of all costs in the year, with 13% 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.

Income generation

Each year, just 30% of our running costs are covered by NHS funding meaning that we rely on the support of our community to help us raise the remaining 70% needed to keep going.

It's thanks to our fundraisers, lottery players, volunteers and shop customers that we can raise **over £7m** each year to continue caring for people across Sheffield. We're here for the people of Sheffield because they're here for us.

Before the pandemic, our award-winning chain of retail shops raised almost £3m. After two years involving temporary closures in line with Government restrictions during 2020 and 2021 we're excited to have had our shops back fully trading towards the end of the financial year to generate much-needed income.

Our retail chain goes beyond our 13 shops across Sheffield. We also have our eBay store making it possible for people to shop and support us online from all over the world, as well as our busy Donation Centre where we sort over a million donated items each year.

Of course, none of this would be possible without the support of those who buy from our shops, those who donate items for us to sell in them, those gift-aid those goods making it possible for us to raise 25% more from their donations and those who volunteer their time and skills.

It's not just in our shops we see this incredible support, it extends beyond into our community. Every year our passionate supporters work tirelessly out in the community to raise vital funds, helping us to continue caring for people.

Everything our supporters give, no matter how big or small, makes all the difference and there are so many ways to support us. Many continue to leave St Luke's a gift in their will or play our weekly lottery. Some people support us by donating each month or by setting up a tribute page in memory of a loved one. Local businesses are inspired to raise money for our patients and their families and help spread the word about the work that we do. Individuals fundraise at school or home, either joining in our events like Festival of Light or Night Strider or by taking on their challenge.

However you support us, thank you for making our work possible.

In 2021-22 every £1 we spent on fundraising generated £5.75 of income and our charity shop chain returned to being highly profitable in spite of the challenges of social distancing and restrictions on opening.

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.

- 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.

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.

	Standard Criteria
Objective	*'Balanced' return between income and growth*
Risk	*Medium*
Mandate	*Discretionary*

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.

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 policy

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, our infrastructure and strategic projects. We consider that the most useful measure of reserves is the level of cash held at bank and as investments that can be readily converted to cash. We have reviewed our reserves policy during the financial year and this new policy represents a dynamic risk-based approach that considers the financial stability of St Luke's as well as longer term strategic opportunities and risks the charity faces, the different reasons for holding money, and looks to build a target range based on holding these reserves in aggregate, as follows:

- **Operational reserves** – the minimum level of cash to be held at all times for immediate working capital needs (such as paying the monthly wages). This is currently estimated as a minimum of **£0.5m**

- **Base reserves** – the minimum level of cash to held at all times, in additional to operational reserves, in order cover statutory or associated liabilities should we need to undertake a major restructure, or should we lose a key income stream, in order to help mitigate the financial risk to the charity. We estimate this to be **£1.5m**, which could be held as cash at bank or as investment funds, or a combination of the two.

The cumulative value of the above elements gives **a platform of c. £2.0m**. We then build on this with potentially more variable elements:

- **Investment reserves** – these reflect the level of funds needed, in excess of those above, to provide the charity with the level of income included as 'investment income' within its financial projections – based on estimated return rates. This may vary but is currently considered to be £2.5m. This will be reviewed by the Board of Trustees each year.

- **Opportunity reserves** – the final element of reserves held to provide medium and longer term resources to take on new opportunities or to deal with known issues and emerging risks. The level will fluctuate based on financial performance and strategic requirements and will be assessed annually by the Board. We anticipate a range of **between £1m and £4m** depending on where we are in the cycle of expenditure into new opportunities. Major capital projects and significant designated fund spend would fall into the category of money spent from these opportunity reserves.

- **Total reserves** – based on the above reserves categories, using a cumulative methodology, the Board considers the need for a target range of total cash and investments reserve of **£5.5m to £8.5m.**

In additional to this range of cash and investment reserves, the Board also holds a policy in regards to designated funds, restricted funds, and free reserves, as follows:

- St Luke's **designated funds** policy is to hold appropriate designated funds 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.

- St Luke's **restricted reserves** policy is that when necessary and legally required we will hold restricted funds.

- The level of **free reserves** held will be directly related to the level of cash and investment reserves, less the tangible fixed assets held, plus the longer term proportion of designated funds. As the level of cash and investment reserves is within a range, and as the level of designated funds and their spend profile will be different each year, it is appropriate to set a range for free reserves too. Therefore, St Luke's free reserves policy is to have free reserves in the range **£4.5m to £7.5m.**

Reserves at 31 March 2022

Cash at bank at 31 March 2022 is £3.4m and fixed asset investments that could readily be converted to cash are £4.7m. ***The total of cash and investments reserves is therefore £8.1m***. This is within the target range of £5.5m to £8.5m.

At 31 March 2022 St Luke's held £15.1m in total reserves (2021: £11.5m). Of this we have identified a total of £1.8m (2021: £1.5m) as designated funds. Spend against these activities is anticipated to occur over the next three 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 – this amount is estimated to be £1.0m.

Of the total reserves held, ***£7.5m were held as free reserves*** (2021: £4.3m) being the total of general funds (£13.3m), less total tangible fixed assets (£6.8m), plus the longer-term portion of designated funds (£1.0m). This is within the target range of £4.5m to £7.5m.

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 2022, St Luke's identified a total of £1.8m of its reserves as designated funds, summarised as follows:

- The **Research and Education** fund has been increased by £100,000 to ***£250,000***. 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.
- The **Environment and Sustainability** fund is held to provide investment to enable St Luke's aspirations to de-carbonise and become a more environmentally sustainable organisation. A number of initiatives are underway with a programme of activity planned over the next three years. ***£300,000*** has been allocated to this fund.
- The **Strategic** fund combines a number of important initiatives including community outreach, the development of our Patient and Family Services and c. £100k to support initiatives around Equality, Diversity and Inclusion. ***£250,000*** has been allocated to this fund.
- The IT and Digital Transformation fund is held to unify and streamline our clinical systems, to improve analytics and use of data, to advance the digital readiness and maturity of our non-clinical systems, and to enable essential investment in our IT infrastructure and estate. ***£1m*** is designated to this fund, a large proportion of which will be spent over the next 18 months on our clinical systems project.

Taking account of the expected usage of each fund in 2022-23 as noted above, a total of £0.8m of designated funds are expected to be spent in the period to 31 March 2023, with £1.0m projected to be spent during period 2023-25. The £1.0m longer term portion is therefore treated as part of free reserves.

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

Going Concern

The 2021-22 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 2022-23 financial year anticipate a deficit due significant inflationary pressures on wages and other essential. 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 for the next 12 months following approval of these financial statements.

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 March 2022 Helen Day left the role of Director of People and Culture to pursue other opportunities. We thank Helen for her dedication and hard work in serving the charity and wish her well in her future endeavours.

The Executive Team is supported by a clear and accountable organisation structure through the Operational Leadership Team which includes Heads of Department and Senior Managers. 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.

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 the end of the financial year the following employees served in St Luke's Executive Team:

Name	Role	Length of Service at St Luke's / in role	Qualifications	Governance Support Lead
Peter Hartland	Chief Executive Officer	14 years, 12 years in role	BSc (Hons), ACA – Associate of The Institute of Chartered Accountants in England and Wales	Board of Trustees; Nominations and Remuneration Committee
Kathryn Burkitt	Director of Income, Media and Marketing	13 years, 5 years in role	BA (Hons), MInstF	50th Planning Committee
Jo Lenton	Director of Care and Lead for Healthcare Partnerships	13 years, 3 years in role	Registered Nurse, BA (Hons) Supportive & Palliative Care	Healthcare Governance Committee
Tony Saunders	Director of Finance and Chief Operating Officer	12 years, 7 years in role	BA (Hons) FCA – Fellow of The Institute of Chartered Accountants in England and Wales	Resource and Finance Committee; Audit and Risk Committee
Sam Kyerematenq (1)	Medical Director and Clinical Lead for Programme Development	9 years' service and in role	MBChB, MRCP, Dip, PallMed	Research Committee

(1) Dr Kyerematenq'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 Board commissioned an independent governance and board effectiveness review during the year with DigiBoard consultants which concluded that "St Luke's is an extremely well-run charity which scores very highly, both in absolute terms and by comparison to benchmarks".

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).

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.

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 of 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.

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.

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 statement

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.

Statement of Equality and Diversity

St Luke's is committed to the promotion of diversity and equal opportunities, to eliminating and preventing unlawful discrimination in our work, and to protecting and respecting human rights.

We believe that our services should be accessible for all, regardless of race, age, gender, disability, sexuality, religion, marital status, gender reassignment status or the area of Sheffield in which a person lives. We are also committed to treating staff, volunteers and those applying to work at St Luke's fairly and without discrimination.

We actively seek to promote equality and human rights by ensuring that we meet our legal duties under the Equality Act 2010 and the Human Rights Act 1998, for example by making sure that equality and diversity are at the centre of our policies and procedures, by ensuring that staff and volunteers are able to meet the diverse needs of our service users, and by involving patients in decisions about their healthcare as far as possible.

Statement of Aspirations for Outreach and Inclusion

Across the UK there are challenges in providing equitable access to hospice and specialist palliative and end of life care services. Whilst lack of resources to make services available to all is a key factor, many groups - including certain faith groups, gypsies and travellers, lesbian, gay, bisexual, transgender and queer (or questioning) (LGBTQ+) people, as well as those who are homeless or living in deprivation - often experience disadvantage towards the end of life, and many do not have access to appropriate support services. The reasons for this vary, but in part may be due to a lack of understanding by both healthcare professionals and those in need that hospice and palliative care services could meet their needs, as well as individuals having concerns that they may be unable to be their whole self when accessing services.

St Luke's vision is to support and care for everyone affected by terminal illness in Sheffield, and we are committed to reducing health inequalities and ensuring the services we deliver are culturally sensitive, inclusive and accessible, meeting the needs of our diverse community.

In support of our vision, we aim to promote equality, diversity and inclusion, and to reduce inequalities in the provision of palliative and end of life care within our community, by supporting those who have previously been excluded from society and marginalised from mainstream services, to connect or reconnect with our services.

Fostering a culture that promotes equality, embraces diversity and treats each of our patients, families and carers with dignity and respect as individuals is integral to our values and the delivery of our services. Understanding differences between individuals and groups within our community is essential to enable us to deliver a patient-centred care approach that is flexible in response to our patients' needs. To achieve this, we will seek to empower those who have previously been excluded from society and marginalised from mainstream services, to contribute and share their knowledge, insights and experiences to support the design, delivery and review of our services, policies and practices.

In particular we will seek to improve our strength and depth of engagement, and reduce the barriers to accessing our services with the following groups within our community:

- Those who do not speak English or possess language barriers, including black and ethnic minority groups, refugees, asylum seekers and migrants
- LGBTQ+ individuals who might encounter prejudice and barriers in their day-to-day lives
- People who are binary trans, non-binary people and people who cross dress
- Those who are homeless or do not have a permanent residence
- Those whose accommodation is insecure, including gypsy, Roma and traveller populations
- Those with disabilities, either physical or learning
- Those with dementia or similar conditions
- Those experiencing substance abuse or dependency, including alcohol and drugs
- Those with religious faith and beliefs, and those who have none
- Those living in areas of deprivation where access to healthcare services is particularly difficult
- Adults of all age groups requiring end of life care, including young adults with longer-term conditions who enter the end-of-life phase.

Environmental Impact and Sustainability statement

St Luke's is a charity that is all about caring. Just as we care for people, we also care for our environment, our neighbours and our impact on society.

As our journey to be a better organisation continues, we aspire to reduce the negative impact we have on our environment and to improve and grow the positive impact we have on our neighbourhood and society. We'll do this by developing our philosophy, improving our awareness and understanding, seeking best practice and establishing action plans to make improvements – seeking outcomes that can be measured against appropriate benchmarks and charters. We'll report our progress and celebrate our successes – and work harder on things that are difficult to achieve. By doing these things we'll demonstrate that we are a responsible citizen and we'll enhance sustainability for ourselves and those around us.

St Luke's recognises that this is a long-term journey with significant resource implications, and that we cannot change overnight. But our commitment is clear and we'll work as a team, and with partners, to combine big-ticket actions with small positive steps to progressively achieve our goal of a greener, more energy-efficient, and sustainable St Luke's in tune with our environment and community.

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 objectives:

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

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

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 President	Alex Pettifer MBE

Executive Team serving during the 2021-22 year

Peter Hartland
Chief Executive and Company Secretary

Kathryn Burkitt
Director of Income, Media and Marketing

Jo Lenton
Director of Care and Lead for Healthcare Partnerships

Dr Sam Kyerematen
Medical Director and Clinical Lead for Programme Development

Tony Saunders
Director of Finance and Chief Operating Officer

Helen Day (resigned 31 March 2022)
Director of People and Culture

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

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

Dr Mark Durling (appointed 28 September 2021)
Member of the Healthcare Governance Committee

Shelley Garlington (appointed 28 September 2021)
Member of the Resource and Finance Committee

Board of Trustees	Steve Ned (appointed 28 September 2021) Member of the Healthcare Governance Committee
	Angus Ridge (appointed 28 September 2021) Member of the Healthcare Governance Committee and the Audit and Risk Committee
	Dr Suvira Madan (appointed 27 June 2022)
	Professor Jon Wadsley (appointed 27 June 2022)

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
Lord Robert and Lady Kerslake
Sir Martyn Lewis CBE
Sir Hugh Sykes DL and Lady Sykes
Harry Gration MBE – *we were very saddened to learn of the passing on our good friend and patron Harry Gration in June 2022. Harry had been a loyal supporter of St Luke's and advocate of end of life care for many years. He regularly volunteered his time to support St Luke's events and we are very thankful for his work for the charity. Our condolences are extended to Harry's family at this difficult time.*
We would also like to recognise the support across the years of Gordon Bridge OBE who sadly died in 2022. As Master Cutler Gordon supported St Luke's as his chosen charity, and he also championed St Luke's in achieving the Queen's Award for Volunteering. We thank Janet and family for their ongoing support to our charity.

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.

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 Commercial House 14 Commercial Street Sheffield S1 2AT Freeths Fifth Floor 3 St Paul's Place 129 Norfolk Street Sheffield S1 2JE

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 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 26 September 2022.

Neil MacDonald
Chair of the Board of Trustees

Andrew Snelling
Honorary Treasurer

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 2022 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 2022 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 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 annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

Auditor 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 charities 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:

- 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: www.frc.org.uk/auditorsresponsibilities. 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 (Senior Statutory Auditor)
For and on behalf of BHP LLP, Statutory Auditor

2 Rutland Park
Sheffield
S10 2PD
Date: 26 September 2022

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)
YEAR ENDED 31 MARCH 2022

	Note	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Income from:									
Legacies and donations		**3,959,890**	-	**66,382**	**4,026,272**	3,828,103	-	30,687	*3,858,790*
Other trading activities:									
Special events and sundry sales		**245,934**	-	-	**245,934**	204,047	-	-	*204,047*
Charity shops		**2,427,089**	-	-	**2,427,089**	633,222	-	-	*633,222*
Lottery income		**828,451**	-	-	**828,451**	806,598	-	-	*806,598*
Education and research		**334,221**	-	-	**334,221**	246,439	-	-	*246,439*
Other income		**807,809**	-	-	**807,809**	190,813	-	-	*190,813*
CJRS scheme		**25,639**	-	-	**25,639**	596,215	-	-	*596,215*
Investment income	2	**49,503**	-	-	**49,503**	27,271	-	-	*27,271*
Charitable activities									
CCG Contract		**3,011,189**	-	-	**3,011,189**	2,773,484	-	-	*2,773,484*
Subsidy of medicine & drugs costs		**106,569**	-	-	**106,569**	82,852	-	-	*82,852*
COVID-19 grants									
NHS England contractual funding		-	-	**1,191,010**	**1.191.010**	-	-	2,708,683	*2,708,683*
Other Covid-19 funding		**111,005**	-	-	**111,005**	231,482	-	-	*231,482*
Other funding		**340,520**	-	-	**340,520**	216,686	-	-	*216,686*
Other grant		-	-	**189,364**	**189,364**	-	-	187,747	*187,747*
		12,247,819	-	**1,446,756**	**13,694,575**	9,837,212	-	2,927,117	12,764,329
Expenditure on:									
Raising funds									
Legacies and donations	3	**367,254**	-	-	**367,254**	311,772	-	-	*311,772*
Special events and sundry sales	3	**240,448**	-	-	**240,448**	218,499	-	-	*218,499*
Charity shops	3	**2,121,318**	-	-	**2,121,318**	1,633,949	-	-	*1,633,949*
Lottery prizes & expenses	3	**280,008**	-	-	**280,008**	290,057	-	-	*290,057*
Investment management fees	3	**16,896**	-	-	**16,896**	6,384	-	-	*6,384*

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)
YEAR ENDED 31 MARCH 2022

	Note	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Expenditure on:									
Charitable activities									
Inpatient care	3	**3,469,364**	**69,378**	**938,514**	**4,477,256**	2,427,582	16,012	1,921,718	*4,365,312*
Medicine & drugs costs	3	**106,569**	**-**	**-**	**106,569**	82,852	-	-	*82,852*
Early support for terminal illness	3	**141,631**	**-**	**-**	**141,631**	156,709	-	-	*156,709*
Integrated community care services	3	**1,509,672**	**46,536**	**449,594**	**2,005,802**	1,399,778	7,534	995,399	*2,402,711*
Education and research	3	**336,317**	**-**	**-**	**336,317**	306,725	-	-	*306,725*
Total expenditure		**8,589,477**	**115,914**	**1,388,108**	**10,093,499**	6,834,307	23,546	2,917,117	9,774,970
Net income / (expenditure)	6	**3,658,342**	**(115,914)**	**58,648**	**3,601,076**	3,002,905	(23,546)	10,000	2,989,359
Gains on investments									
Realised		**16,713**	**-**	**-**	**16,713**	60,359	-	-	60,359
Unrealised	8	**64,075**	**-**	**-**	**64,075**	107,446	-	-	107,446
		80,788	**-**	**-**	**80,788**	167,805	-	-	167,805
Net income/(expenditure)		**3,739,130**	**(115,914)**	**58,648**	**3,681,864**	3,170,710	(23,546)	10,000	3,157,164
Transfer between funds	15/16	**(357,266)**	**415,914**	**(58,648)**	**-**	(163,546)	173,546	(10,000)	-
Other recognised losses									
Loss on revaluation of fixed assets	7	**(61,991)**	**-**	**-**	**(61,991)**	(603,843)	-	-	(603,843)
Net movement in funds		**3,319,873**	**300,000**	**-**	**3,619,873**	2,403,321	150,000	-	2,553,321
Funds balance at 1 April 2021		**10,008,686**	**1,500,000**	**-**	**11,508,686**	7,605,365	1,350,000	-	8,955,365
Funds balance at 31 March 2022	15/16	**13,328,559**	**1,800,000**	**-**	**15,128,559**	10,008,686	1,500,000	-	11,508,686

ST LUKE'S HOSPICE

BALANCE SHEETS

AS AT 31 MARCH 2022

	Note	GROUP 2022 £	GROUP 2021 £	CHARITY 2022 £	CHARITY 2021 £
Fixed assets					
Tangible assets	7	**6,751,386**	6,728,023	**6,751,386**	6,728,023
Investments	8	**4,671,740**	2,590,952	**4,671,814**	2,591,026
		11,423,126	9,318,975	**11,423,200**	9,319,049
Current assets					
Stock – goods for resale		**67,495**	152,140	**67,495**	152,140
Debtors	9	**3,501,098**	2,216,924	**3,571,708**	2,264,127
Cash at bank and in hand	10	**3,411,519**	2,734,663	**3,329,016**	2,665,946
		6,980,112	5,103,727	**6,968,219**	5,082,213
Creditors: amounts falling due within one year	11	**(3,224,292)**	(2,815,208)	**(3,224,292)**	(2,801,125)
Net current assets		**3,755,820**	2,288,519	**3,743,927**	2,281,088
Total assets less current liabilities		**15,178,946**	11,607,494	**15,167,127**	11,600,137
Creditors: amounts falling due after more than one year	12	**(50,387)**	(98,808)	**(50,387)**	(98,808)
Net assets	19	**15,128,559**	11,508,686	**15,116,740**	11,501,329
Charity Funds					
General funds	15	**13,328,559**	10,008,686	**13,316,740**	10,001,329
Designated funds	15	**1,800,000**	1,500,000	**1,800,000**	1,500,000
Total unrestricted funds - Including investments revaluation reserve (£158,767 (2021: £124,959))	15	**15,128,559**	11,508,686	**15,116,740**	11,501,329
Restricted	16	**-**	-		-
Total Charity funds		**15,128,559**	11,508,686	**15,116,740**	11,501,329

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 £3,615,411 (2021: £2,548,542).

The financial statements were approved and authorised for issue by the Board on 26 September 2022.

Signed on behalf of the board of Trustees

N MacDonald
Chair of the Board of Trustees

A E Snelling
Honorary Treasurer

The notes on pages 29 to 53 form part of these financial statements.
Company registration number: 00922448

ST LUKE'S HOSPICE

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2022

	Note	2022		2021	
		£	£	£	£
Cash flows from operating activities:					
Net cash flow provided by operating activities	**17**		**2,829,278**		3,180,933
Cash flows from Investing activities					
Interest received	**2**	**313**		1,511	
Dividends received	**2**	**49,190**		25,760	
Purchase of tangible fixed assets	**7**	**(202,180)**		(199,602)	
Proceeds from sale of fixed assets		**250**		198,004	
Purchase of investments	**8**	**(2,777,496)**		(1,085,529)	
Proceeds from sale of investments		**484,385**		713,918	
Net cash flow from investing activities			**(2,445,538)**		(345,938)
Increase in cash and cash equivalents in the year			**383,740**		2,834,995
Cash and cash equivalents as at 1 April 2021	**18**		**3,785,219**		950,224
Cash and cash equivalents as at 31 March 2022	**18**		**4,168,959**		3,785,219

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 2021-22 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 2022-23 financial year anticipate a deficit due to significant inflationary pressures on wages and other essential. 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 for the next 12 months following approval of these financial statements.

(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 £3,607,984 (2021: £2,545,894).

(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. The CCG has now transitioned to the South Yorkshire Integrated Care Board and in future funding relationships will be with this organisation.

(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.

(ix) Dividends

The charity was gifted shares in a private limited company, the gifted shares have no voting rights, however they do have entitlement to dividends. The shares cannot be valued as they are not held on a listed investment stock exchange and cannot be transferred or exchanged. The dividends are recognised on a receivable basis.

(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.

Expenditure on raising funds includes all expenditure incurred by the group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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.

(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 charged 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) 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.

(q) 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.

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

	2022	2021
	£	£
Dividends and interest	**49,190**	25,760
Bank interest	**313**	1,511
	49,503	27,271

Income from investments in both years is unrestricted.

3. Analysis of expenditure

	Direct costs	Support costs	Total 2022	Total 2021
	£	£	£	£
Raising funds				
Legacies and donations	**275,988**	**91,266**	**367,254**	311,772
Special events and sundry sales	**178,581**	**61,867**	**240,448**	218,499
Charity shops	**2,053,530**	**67,788**	**2,121,318**	1,633,949
Lottery prizes and expenses	**237,436**	**42,572**	**280,008**	290,057
Investment management costs	**16,896**	**-**	**16,896**	6,384
	2,762,431	**263,493**	**3,025,924**	2,460,661
Charitable activities				
Inpatient care	**3,842,197**	**635,059**	**4,477,256**	4,365,312
Medicine and drugs	**106,569**	**-**	**106,569**	82,852
Early support for terminal illness	**134,265**	**7,366**	**141,631**	156,709
Integrated community care services	**1,634,528**	**371,274**	**2,005,802**	2,402,711
Education and training	**266,994**	**69,323**	**336,317**	306,725
	5,984,553	**1,083,022**	**7,067,575**	7,314,309
Total	**8,746,984**	**1,346,515**	**10,093,499**	9,774,970
2021 Total	8,390,062	1,384,908	9,774,970	

Included within support costs are governance costs of £98,099 (2021: £100,741) which are detailed in note 4.

Support costs totalling £1,346,515 (2021: £1,384,908) 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 2022 £	Total 2021 £
Strategic management	**81,216**	-	**81,216**	84,219
Legal, professional and support costs	**16,883**	-	**16,883**	16,522
	98,099	-	**98,099**	100,741
2021 Total	100,741	-	100,741	

5. Employment costs

	2022 £	2021 £
Staff costs		
Wages and salaries	**5,658,503**	5,707,213
Social security costs	**503,840**	484,853
Pension costs	**298,907**	304,849
	6,461,250	6,496,915

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

	Number of employees 2022	2021
£100,000-£110,000	**1**	0
£90,000-£100,000	**0**	1
£80,000-£90,000	**1**	0
£70,000-£80,000	**1**	2

During the year pension contributions on behalf of these employees amounted to £69,183 (2021: £69,929)

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 £483,304 (2021: £443,890).

Total redundancy payments amounted to £nil (2021 restated: £261,566) 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.

5. Employment costs – continued

	Head count - Average Number of employees	
	2022	2021 as restated
Ancillary	**43**	42
Medical and nursing	**64**	66
Allied Health Professional	**27**	31
Professional and technical	**26**	27
Fundraising	**7**	10
Administration	**14**	15
Shops	**59**	45
	240	236

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 2021-22, is £606,584 (2020-21: £93,374). 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:

	2022	2021
	£	£
Auditor's remuneration:		
Audit	**20,073**	14,800
Other Services	**1,628**	1,200
Hire of other assets – operating leases	**265,348**	238,538
Loss/(profit) on disposal of fixed assets	**1,286**	(3,000)
Impairment on revaluation of fixed assets	**61,991**	603,843
Depreciation	**115,286**	134,289

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		
	£	£	£	£	£	£	£
Cost/valuation							
At beginning of year	1,750,000	3,150,000	1,180,000	155,000	511,649	1,216,066	7,962,715
Additions	13,173	-	38,030	10,788	35,559	104,630	202,180
Disposals	-	-	-	-	-	(19,944)	(19,944)
Transfers	-	-	-	-	-	-	-
Impairment	(13,173)	-	(38,030)	(10,788)	-	-	(61,991)
At end of year	**1,750,000**	**3,150,000**	**1,180,000**	**155,000**	**547,208**	**1,300,752**	**8,082,960**
Depreciation							
At beginning of year	-	-	-	-	342,388	892,304	1,234,692
Charge for the year	-	-	-	-	36,002	79,284	115,286
Disposals	-	-	-	-	-	(18,404)	(18,404)
Impairment	-	-	-	-	-	-	-
At end of year	**-**	**-**	**-**	**-**	**378,390**	**953,184**	**1,331,574**
Net book value							
At 31 March 2022	**1,750,000**	**3,150,000**	**1,180,000**	**155,000**	**168,818**	**347,568**	**6,751,386**
At 31 March 2021	1,750,000	3,150,000	1,180,000	155,000	169,261	323,762	6,728,023

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.

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:

	2022		2021	
	Freehold property	Long leasehold property	Freehold property	Long leasehold property
	£	£	£	£
Cost	**16,315,587**	**168,271**	16,264,383	157,483
Accumulated impairment (losses)/gains	**(7,321,022)**	**41,074**	(7,269,818)	51,862
Accumulated depreciation	**(2,914,565)**	**(54,345)**	(2,914,565)	(54,345)
Net book value	**6,080,000**	**155,000**	6,080,000	155,000

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. Management are of the opinion that the value of these assets has not changed since revaluation. Further professional revaluations will be obtained no more than every 5 years.

8. Fixed asset investments

	Group		Charity	
	2022	2021	2022	2021
Listed Investments:	£	£	£	£
Market value at beginning of year	**1,540,386**	1,000,970	**1,540,386**	1,000,970
Additions	**2,777,496**	1,085,529	**2,777,496**	1,085,529
Disposals	**(467,667)**	(653,559)	**(467,667)**	(653,559)
Net investment gains / (losses)	**64,075**	107,446	**64,075**	107,446
Market value at end of year	**3,914,290**	1,540,386	**3,914,290**	1,540,386
Investment cash	**757,440**	1,050,556	**757,440**	1,050,556
Market value at end of year	**4,671,730**	2,590,942	**4,671,730**	2,590,942
Unlisted investments	**10**	10	**84**	84
	4,671,740	2,590,952	**4,671,814**	2,591,026
Historical cost of listed investments	**3,755,427**	1,415,427	**3,755,427**	1,415,427

The historic cost of listed investments of £3,755,427 (2021: £1,415,427) relates to the carrying value of investments of £4,671,740 (2021: £2,590,952) in fixed asset investments.

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:

Subsidiary undertaking	Note	Country of incorporation	Principal activity	Class and percentage of shares held
St Luke's Options Limited	22	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	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	**718,952**	265,571	**718,952**	258,671
Income tax recoverable	**99,245**	172,431	**99,245**	172,431
Prepayments and accrued income	**2,506,156**	1,386,608	**2,506,156**	1,386,608
Other debtors	**176,745**	392,314	**176,745**	395,131
Amounts owed by group undertakings	-	-	**70,610**	51,286
	3,501,098	2,216,924	**3,571,708**	2,264,127

10. Cash and Bank

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Cash at bank	**3,406,872**	2,730,200	**3,324,369**	2,661,483
Cash in hand	**4,647**	4,463	**4,647**	4,463
	3,411,519	2,734,663	**3,329,016**	2,665,946

11. Creditors: amounts falling due within one year

	Group		Charity	
	2022	2021	**2022**	2021
	£	**£**	**£**	**£**
Trade creditors	**496,829**	645,624	**496,829**	645,624
Other creditors	**165,250**	145,012	**165,250**	145,012
Taxation and social security	**135,071**	109,777	**135,071**	109,777
Accruals and deferred income (note 13)	**2,427,142**	1,914,795	**2,427,142**	1,900,712
Amounts owed to group undertakings		-		
	3,224,292	2,815,208	**3,224,292**	2,801,125

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

	2022	**2021**
	£	**£**
Group and Charity		
Other creditors	**50,387**	98,808

13. Deferred income

	£
Group and Charity	
Balance at 1 April 2021	853,228
Amount released to SOFA	(5,258)
Amounts utilised in the year	(704,436)
Amount deferred in the year	1,379,221
Balance at 31 March 2022	1,522,755

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.

14. Commitments

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

	2022	**2022**	**2021**	**2021**
	Land and buildings	**Plant**	**Land and buildings**	**Plant**
	£	**£**	**£**	**£**
Within one year	**174,530**	**4,507**	238,166	5,626
Two to five years	**310,819**	**1,850**	406,516	1,805
Over five years	-	-	39,834	-
	485,349	**6,357**	684,516	7,431

15. Summary of movement in funds

	Unrestricted fund £	Designated fund £	Restricted fund £	Total £
Fund balance at 1 April 2021	10,008,686	1,500,000	-	11,508,686
Income	12,247,819	-	1,446,756	13,694,575
Expenditure	(8,589,477)	(115,914)	(1,388,108)	(10,093,499)
Investment gains	80,788	-	-	80,788
Transfers	(357,266)	415,914	(58,648)	-
Revaluation on fixed assets	(61,991)	-	-	(61,991)
Fund balance at 31 March 2022	**13,328,559**	**1,800,000**	**-**	**15,128,559**

	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 losses	167,805	-	-	167,805
Transfers	(163,546)	173,546	(10,000)	-
Revaluation on fixed assets	(603,843)	-	-	(603,843)
Fund balance at 31 March 2021	**10,008,686**	**1,500,000**	**-**	**11,508,686**

15. Analysis of movement in unrestricted funds (continued)

Group	General Fund	Research and Education	Strategic Initiative	IT Infrastructure	Environment & Sustainability	IT and Digital Transformation	Total 2022
	£	£	£	£	£	£	£
Fund balance at 1 April 2021	10,008,686	150,000	400,000	200,000	-	750,000	**11,508,686**
Income	12,247,819	-	-	-	-	-	**12,247,819**
Expenditure	(8,589,477)	(23,599)	-	-	-	(92,315)	**(8,705,391)**
Revaluation on fixed assets	(61,991)	-	-	-	-	-	**(61,991)**
Other recognised gains	80,788	-	-	-	-	-	**80,788**
Transfer to unrestricted funds	-	-	-	-	-	-	-
Transfers to designated funds	(415,914)	123,599	(150,000)	(200,000)	300,000	342,315	-
Transfers from restricted funds	58,648	-	-	-		-	**58,648**
Fund balance at 31 March 2022	**13,328,559**	**250,000**	**250,000**	**-**	**300,000**	**1,000,000**	**15,128,559**

Charity	General Fund	Research and Education	Strategic Initiative	IT Infrastructure	Environment & Sustainability	IT and Digital Transformation	Total 2022
	£	£	£	£	£	£	£
Fund balance at 1 April 2021	10,001,329	150,000	400,000	200,000	-	750,000	**11,501,329**
Income	13,633,879	-	-	-	-	-	**13,633,879**
Expenditure	(9,928,778)	(23,599)	-	-	-	(92,315)	**(10,044,692)**
Devaluation on fixed assets	(61,991)	-	-	-	-	-	**(61,991)**
Investment losses	80,788	-	-	-	-	-	**80,788**
Transfers to unrestricted funds	-	-	-	-	-	-	-
Transfers to designated funds	(415,914)	123,599	(150,000)	(200,000)	300,000	342,315	-
Transfer from restricted funds	-	-	-	-	-	-	-
Gift aid from subsidiary company	7,427	-	-	-	-	-	**7,427**
Fund balance at 31 March 2022	**13,316,740**	**250,000**	**250,000**	**-**	**300,000**	**1,000,000**	**15,116,740**

15. Analysis of movement in unrestricted funds (continued)

Group	General Fund	Research and Education	Strategic Development	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
Transfers 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
Fund balance at 31 March 2021	10,008,686	150,000	400,000	200,000	750,000	-	11,508,686

Charity	General Fund	Research and Education	Strategic Development	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)
Other recognised gains	167,805	-	-	-	-	-	167,805
Transfers to unrestricted gains	625,000	-	-	-	-	(625,000)	-
Transfers to designated funds	(798,546)	48,546	-	-	750,000	-	-
Transfers from restricted funds	10,000	-	-	-	-	-	10,000
Gift aid from subsidiary company	2,648	-	-	-	-	-	2,648
Fund balance at 31 March 2021	10,001,329	150,000	400,000	200,000	750,000	-	11,501,329

15. 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 the 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 combines a number of important initiatives including community outreach, the development of our Patient and Family Services and c.£100k to support initiatives around equity, diversity and Inclusion.

The **Environment and Sustainability** fund is held to provide investment to enable St Luke's aspirations to de-carbonise and become a more environmentally sustainable organisation. A number of initiatives are underway with a programme of activity planned over the next three years.

The **IT and Digital Transformation** fund is held to unify and streamline our clinical systems, to improve analytics and use of data, to advance the digital readiness and maturity of our non-clinical systems, and to enable essential investment in our IT infrastructure and estate.

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

16. Analysis of movement in restricted funds

Group and Charity	NHSE funding £	Support a Nurse £	HEYH Deanery funding £	Other £	Total 2022 £
Fund balance at 1 April 2021	-	-	-	-	-
Income	1,191,010	2,484	189,364	63,898	1,446,756
Expenditure	(1,191,010)	(2,484)	(189,364)	(5,250)	(1,388,108)
Transfers	-	-	-	(58,648)	(58,648)
Fund balance at 31 March 2022	-	-	-	-	-

Group and Charity	NHSE funding £	Support a Nurse £	HEYH Deanery funding £	Other £	Total 2021 £
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)
Fund balance at 31 March 2021	-	-	-	-	-

NHSE Funding

The NHSE awarded funding to allow St Luke's to make available bed capacity and community support from December 2021 to March 2022 to provide support to people with complex needs in the context of the Covid-19 situation.

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 2021-22.

16. 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 2022
	£
Funding for capital assets	**58,648**
Funding for revenue expenditure	**5,250**
	63,898

17. Reconciliation of net income to net cash flow from operating activities

	2022	2021
	£	£
Net income for the year	**3,601,076**	2,989,359
Return on investments	**(49,503)**	(27,271)
Depreciation charge	**115,286**	134,289
Loss/(profit) on disposal of fixed assets	**1,286**	(3,000)
Decrease/(increase) in stocks	**84,645**	(78,756)
(Increase) in debtors	**(1,284,174)**	(395,662)
Increase in creditors	**360,662**	561,974
Net cash flow provided by operating activities	**2,829,278**	3,180,933

18. Analysis of cash and cash equivalents

	At beginning of year	Cashflow	At end of year
	£	£	£
Cash at bank and in hand	**2,734,663**	**676,856**	**3,411,519**
Cash held as investments	**1,050,556**	**(293,116)**	**757,440**
	3,785,219	**383,740**	**4,168,959**

19. Analysis of assets between funds

2022	Unrestricted funds	Designated funds	Total 2022
	£	£	£
Tangible fixed assets	**6,751,386**	-	**6,751,386**
Investments	**4,671,740**	-	**4,671,740**
Current assets	**5,180,112**	**1,800,000**	**6,980,112**
Creditors: amounts falling within one year	**(3,224,292)**	-	**(3,224,292)**
Creditors: amounts falling due in greater than one year	**(50,387)**	-	**(50,387)**
	13,328,559	**1,800,000**	**15,128,559**

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)
	10,008,686	1,500,000	11,508,686

20. Related party transactions

No remuneration has been paid to any Trustee (2021: £nil). Expenses totalling £811 (2021: £nil) were paid to a third party on behalf of two Trustees for legitimate business expenditure incurred during the year to attend a conference, in connection with the running of St Luke's affairs.

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 £559 (2021: £588).

During the year the charity has incurred room hire costs of £200 (2021: £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 (2021: £nil).

During the year, a gift aid distribution totalling £7,427 (2021: £2,648) was received from St Luke's Options Limited. St Luke's Options Limited is 100% subsidiary of the charity. At the year end £70,612 was owed to the charity and was included in other debtors (2021: £51,286).

21. 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 21.68% from 1 April 2019. In the year to 31 March 2022, the uplift continued to be funded by the Department of Health and Social Care.

The total employer contribution payable in 2021-2022 was £41,429 (£42,445 for 2020-21). £3,215 was outstanding at the year end (2021: £3,635). 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 2022 is based on an assessment of the liabilities as at 31 March 2019, with an approximate updating to 31 March 2022 to reflect known changes. The latest assessment of the liabilities of the Scheme is contained in the Scheme Actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Resource Account, published annually. These accounts can be viewed on the NHS Pensions website. Copies can also be obtained from the Stationery Office.

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

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

Group Personal Pension Scheme

Excluding those employees for whom St Luke's continue to make contributions to the NHS superannuation scheme, all other St Luke's employees are enrolled into the Group Pension Scheme arranged by Scottish Widows which they may opt out of at their request. St Luke's makes an employer contribution which matches the employees contribution within the parameters of the scheme. These pension funds are assets of the individual and St Luke's has no liability nor interest in the value of each fund. St Luke's contributions are released to the SOFA as they are incurred. Contributions made during the year were £231,335 (2021: £235,402). £38,326 was outstanding at the year- end (2021: £20,962).

21. 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 £25,415 (2021: £27,002). £2,143 was outstanding at the year-end (2021: £2,055).

22. St Luke's Options Limited

Profit and loss account
For the year ended 31 March 2022

	2022	2021
	£	£
Turnover	**60,696**	39,317
Cost of sales	**(14,088)**	(533)
Gross profit	**46,608**	38,784
Administrative expenses	**(34,719)**	(31,357)
Retained profit for the year	**11,889**	7,427

Net assets at the year end were £11,889 (2021: £7,427). The principal activity of St Luke's Options Limited is to trade for the benefit of St Luke's.

23. 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 2022

	2022	2021
	£	£
Income	**13,633,879**	12,725,012
Expenditure	**(10,044,692)**	(9,743,080)
Net Income	**3,589,187**	2,981,932
Other recognised gains	**80,788**	167,805
Net income	**3,669,975**	3,149,737
Impairment of fixed assets	**(61,991)**	(603,843)
Net movement in funds	**3,607,984**	2,545,894
Total funds brought forward	**11,501,329**	8,952,787
Gift aid from subsidiary company	**7,427**	2,648
Surplus for the financial year	**3,607,984**	2,545,894
Total funds carried forward	**15,116,740**	11,501,329
Represented by:		
Unrestricted funds	**15,116,740**	11,501,329
Restricted funds	**-**	-
	15,116,740	11,501,329

ST LUKE'S HOSPICE

England & Wales - Charity number 254402

Accounts

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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ST LUKE'S HOSPICE

CHAIR'S REPORT 2020-21

YEAR ENDED 31 MARCH 2021

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.

ST LUKE'S HOSPICE

CHAIR'S REPORT 2020-21

YEAR ENDED 31 MARCH 2021

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

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.

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	• 30% of our patients have a non-cancer diagnosis • 1,905 patients were helped by clinical teams in 2020-21
Community and Homecare Team	• 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 • St Luke's received 2,133 referral requests to our community service from GPs and other healthcare professionals • 45% of visits were to patients who required urgent care from our Intensive Treatment Team
In Patient Centre (IPC)	• 24-hour care and support by our team of specialist nursing, medical and health professional staff • Over the last 12 months we cared for 326 patients at our IPC • During the year we operated at a 72% bed occupancy • On average each patient stayed at the IPC for 17 days with 34% able to return home after specialist intervention treatment
Bereavement Support Team	• 809 relatives were supported with bereavement counselling and supported after the death of a loved one • The Bereavement Team of staff and volunteers delivered 2,850 sessions with clients in the year

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.

- 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.

- 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.

	Standard Criteria
Objective	*'Balanced' return between income and growth*
Risk	*Medium*
Mandate	*Discretionary*

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.

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.

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 50th 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 Kyerematen (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 Kyerematen'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 of 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.

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.

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 Kyerematenq
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

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.

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.

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

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

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.

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

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:

- 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
		£	£	£	£	£	£	£	£
Income from:									
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		**204,047**	-	-	***204,047***	606,738	-	-	606,738
Charity shops		**633,222**	-	-	***633,222***	2,793,228	-	-	2,793,228
Lottery income		**806,598**	-	-	***806,598***	860,295	-	-	860,295
Education and research		**246,439**	-	-	***246,439***	195,581	-	-	195,581
Other income		**190,813**	-	-	***190,813***	251,140	-	-	251,140
CJRS scheme		**596,215**	-	-	***596,215***	-	-	-	-
Investment income	2	**27,271**	-	-	***27,271***	95,804	-	-	95,804
Charitable activities									
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
Expenditure on:									
Raising funds									
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

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
		£	£	£	£	£	£	£	£
Expenditure on:									
Charitable activities									
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
Total expenditure		**6,834,307**	**23,546**	**2,917,117**	**9,774,970**	9,591,172	124,540	250,963	9,966,675
Net income / (expenditure)	6	**3,002,905**	**(23,546)**	**10,000**	**2,989,359**	669,313	(124,540)	23,510	568,283
Gains/(losses) on investments									
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)
Net income/(expenditure)		**3,170,710**	**(23,546)**	**10,000**	**3,157,164**	438,405	(124,540)	23,510	337,375
Transfer between funds	16/17	**(163,546)**	**173,546**	**(10,000)**	-	(126,030)	149,540	(23,510)	-
Other recognised losses									
Gaines/(losses) on revaluation of fixed assets	7	**(603,843)**	-	-	**(603,843)**	(127,831)	-	-	(127,831)
Net movement in funds		**2,403,321**	**150,000**	-	**2,553,321**	184,544	25,000	-	209,544
Funds balance at 1 April 2020		**7,605,365**	**1,350,000**	-	**8,955,365**	7,420,821	1,325,000	-	8,745,821
Funds balance at 31 March 2021	16/17	**10,008,686**	**1,500,000**	-	**11,508,686**	7,605,365	1,350,000	-	8,955,365

ST LUKE'S HOSPICE

BALANCE SHEETS

AS AT 31 MARCH 2021

	Note	GROUP 2021 £	GROUP 2020 £	CHARITY 2021 £	CHARITY 2020 £
Fixed assets					
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
		9,318,975	7,984,703	**9,319,049**	7,984,777
Current assets					
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
		5,103,727	3,322,704	**5,082,213**	3,320,056
Creditors: amounts falling due within one year	12	**(2,815,208)**	(2,007,941)	**(2,801,125)**	(2,007,945)
Net current assets		**2,288,519**	1,314,763	**2,281,088**	1,312,111
Total assets less current liabilities		**11,607,494**	9,299,466	**11,600,137**	9,296,888
Creditors: amounts falling due after more than one year	13	**(98,808)**	(344,101)	**(98,808)**	(344,101)
Net assets	20	**11,508,686**	8,955,365	**11,501,329**	8,952,787
Charity Funds					
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	**11,508,686**	8,955,365	**11,501,329**	8,952,787
Restricted	17	**-**	-	**-**	-
Total Charity funds		**11,508,686**	8,955,365	**11,501,329**	8,952,787

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 MacDonald
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

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

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.

(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.

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
	27,271	95,804

Income from investments in both years is unrestricted.

3. Analysis of expenditure

	Direct costs	Support costs	Total 2021	Total 2020
	£	£	£	£
Raising funds				
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
	2,183,655	**277,006**	**2,460,661**	2,891,048
Charitable activities				
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
	6,206,407	**1,107,902**	**7,314,309**	7,075,627
Total	**8,390,062**	**1,384,908**	**9,774,970**	9,966,675
2020 Total	8,669,665	1,297,010	9,966,675	

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
	100,741	-	**100,741**	101,782
2020 Total	101,782	-	101,782	

5. Employment costs

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

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.

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
	238	249

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

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		
	£	£	£	£	£	£	£
Cost/valuation							
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)
At end of year	**1,750,000**	**3,150,000**	**1,180,000**	**155,000**	**511,649**	**1,216,066**	**7,962,715**
Depreciation							
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	-	-	-	-	-	-	-
At end of year	**-**	**-**	**-**	**-**	**342,388**	**892,304**	**1,234,692**
Net book value							
At 31 March 2021	**1,750,000**	**3,150,000**	**1,180,000**	**155,000**	**169,261**	**323,762**	**6,728,023**
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.

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)
Net book value	**6,080,000**	**155,000**	6,775,000	110,000

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
Listed Investments:	£	£	£	£
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
Unlisted investments	**10**	10	**84**	84
	2,590,952	1,023,146	**2,591,026**	1,023,220
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)
Fixed asset investments	**2,590,952**	523,146	**2,591,026**	523,220

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.

8. Fixed asset investments (continued)

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

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

9. Debtors

	Group		Charity	
	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
	2,216,924	1,821,262	**2,264,127**	1,851,640

10. Current asset investments

	2021	2020
	£	£
Group and Charity		
Listed investments	-	500,000

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	**4,463**	4,121	**4,463**	4,121
	2,734,663	928,058	**2,665,946**	895,032

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
	2,815,208	2,007,941	**2,801,125**	2,007,945

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

	2021	**2020**
	£	**£**
Group and Charity		
Other creditors	**98,808**	344,101

14. Deferred income

	£
Group and Charity	
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	853,228

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	**2021**	**2020**	**2020**
	Land and buildings	**Plant**	**Land and buildings**	**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	-
	684,516	**7,431**	738,682	9,758

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)
Fund balance at 31 March 2021	**10,008,686**	**1,500,000**	**-**	**11,508,686**

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

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**
Fund balance at 31 March 2021	**10,008,686**	**150,000**	**400,000**	**200,000**	**750,000**	**-**	**11,508,686**

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**
Fund balance at 31 March 2021	**10,001,329**	**150,000**	**400,000**	**200,000**	**750,000**	**-**	**11,501,329**

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	50th 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
Fund balance at 31 March 2020	7,605,365	125,000	400,000	-	-	-	200,000	-	-	625,000	8,955,365

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

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.

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)**
Fund balance at 31 March 2021	-	-	-	-	-

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)
Fund balance at 31 March 2020	-	-	-	-	-

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.

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
	22,500

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	3,180,933	147,562

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
	950,224	2,834,995	3,785,219

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)**
	10,008,686	**1,500,000**	**11,508,686**

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)
	7,605,365	1,350,000	8,955,365

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.

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).

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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