

ST LUKE'S HOSPICE PLYMOUTH

England & Wales · Charity number 280681

Details

Status Registered

Legal form Charitable company

Company number [01505753](#)

Registered 1980-09-25

Register [View on the Charity Commission register](#)

Contact

Address St. Lukes Hospice
Stamford Road
Plymouth
PL9 9XA

Phone 01752401172

Email info@stlukes-hospice.org.uk

Website www.stlukes-hospice.org.uk

Activities

Objects: THE RELIEF OF SICKNESS AMONGST PEOPLE SUFFERING FROM TERMINAL DISEASE IN SUCH WAYS AS THE CHARITY SHALL FROM TIME TO TIME THINK FIT, AND IN PARTICULAR IN THE CITY OF PLYMOUTH AND THE SURROUNDING DISTRICTS (BUT WITHOUT PREJUDICE TO THE GENERALITY WHETHER GEOGRAPHICAL OR OTHERWISE OF SUCH OBJECT)

Activities: The principal object of the charity is to promote the relief of sickness amongst people suffering from terminal illness.

Classification

- **How:** Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives
- **Who:** People With Disabilities, Other Defined Groups

Geography

- **Area of benefit:** PLYMOUTH AND SURROUNDING DISTRICTS
- Cornwall
- Devon
- Plymouth City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£13,005,753	£13,771,095	£12,976,971	332
2024-03-31	£13,005,807	£13,602,684	£13,625,857	330
2023-03-31	£11,888,866	£11,664,685	£13,900,095	294
2022-03-31	£11,961,108	£10,250,484	£13,765,586	284
2021-03-31	£11,933,389	£9,698,438	£11,906,703	309

Trustees

Name	Role	Appointed
DAVID NICHOLAS THOMAS	Chair	2024-02-06
Helen Hocking		2021-07-19
Jack Peter Henniker		2021-03-23
James Alexander Barrett		2025-10-14
James Henniker		2021-03-23
Jemma Edge		2022-05-25
Karen Julie Grimshaw		2025-10-14
Lee James Budge		2026-03-24
Lesa Jane Annear		2023-05-23
Nicholas John Green		2024-05-21

ST LUKE'S HOSPICE PLYMOUTH

England & Wales - Charity number 280681

Accounts

Registered number: 01505753

Charity number: 280681

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

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**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2025**

Trustees	Ms F Allen (resigned 28 May 2025) Mrs L Annear Mr S Carter Mrs N Duncan Mrs J Edge Mrs F Field Mr N Green (appointed 21 May 2024) Mr J P Henniker Mr J Henniker Mrs H Hocking, Treasurer Mr D N Thomas, Chair Dr M Walker, Deputy Chair Mr W Warrender
Company registered number	01505753
Charity registered number	280681
Registered office	St Lukes Hospice, Stamford Road Turnchapel Plymouth Devon PL9 9XA
Company secretary	Susan Cannon
Chief executive officer	George Lillie
Bankers	Santander Bridle Road Bootle L30 4GB
Solicitors	Foot Anstey Solicitors Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2025**

Structure, Governance and Management of the Charity

The Board presents its Trustees' Annual Report, Directors' Report and the audited consolidated financial statements for the year ended 31 March 2025 as required by company law. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, 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 on 1 January 2019.

St Luke's Hospice Plymouth is a company limited by guarantee and not having a share capital. It was incorporated on 29 May 1980. It is a charity registered in England and Wales. The maximum liability of each member on the winding up of the company is £1.

There are currently 12 trustees of the charity. Individuals must sign a consent form on becoming a member. Every member will further the objects so far as practicable and observe any standing orders, rules and regulations issued in the Articles of Association of the charity. The trustees are appointed as members of the charity. Full responsibility for the running of the charity is vested in the trustees, who by reason of the incorporation of the charity are also directors of the company.

The Board of Trustees is the Governing Body. The Board meets to agree business plans and annual operating plans and to monitor performance against them. It sets the ethos, aims, policies and limits of authority. It appoints and provides support and direction to its senior executives (the senior management team or SMT) and has a formally agreed governance policy that is reviewed annually. The services delivered by St Luke's are registered with the Care Quality Commission (CQC). In pursuit of its charitable objectives, St Luke's Hospice Plymouth works in partnership with other local hospices and Hospice UK which is the national charity for hospice and end-of-life care.

Chair:	Mr David Nicholas Thomas CPFA
Treasurer:	Mrs Helen Hocking CPFA
Senior Executives:	
Chief Executive	Mr George Lillie RGN RMN BSc. MSc
Director of Clinical Services	Mrs Patricia Davis RN1, Registered Health Visitor, MSc Primary Care
Deputy CEO & Director of Finance & Resources	Mrs Susan Cannon CPFA
Commercial Director	Mr Michael Dukes (left 2 March 2025). Position currently vacant.
Director of People Services	Ms Adrienne Murphy FCIPD, MA Strategic Human Resource Management

**ST. LUKE'S HOSPICE PLYMOUTH
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

Trustees

The following trustees, who are also Directors, served during the year:

Ms F Allen (c,g,h)
Mrs L Annear (e,i)
Mr S Carter (d,e)
Mrs N Duncan (g,h)
Mrs J Edge (a,c,f)
Mrs F Field (a,g,h)
Mr N Green (a,e)
Mr J Henniker (a,e,f)
Mr J P Henniker (b,g,h)
Mrs H Hocking (b,d,f,i)
Mr D N Thomas (b,i)
Dr M Walker (b,c,d)
Mr W Warrender (a)

The trustees of St Luke's Hospice Plymouth serve on a number of Board committees as follows:

- a. BEESafe Health & Safety Committee
- b. Chairs' Governance Committee
- c. Clinical Review Group
- d. Finance and Audit Committee
- e. Income Generation Group
- f. Organisational Risk and Internal Audit Committee
- g. People and Transformation Committee
- h. Reward and Remuneration Committee

Three trustees are also directors of the wholly owned trading subsidiary:

- i. SLH Ventures Ltd

In addition, a number of trustees attend operational groups.

Recruitment and induction of trustees

Periodically the Governance Committee may decide it appropriate to conduct a skills audit of the current trustees before we carry out any formal recruitment process. The objective of a skills audit is to analyse the existing trustees' skills, knowledge, and experience to identify gaps within the Board.

The organisation will use this information in several ways:

- To pool the talents of the trustees to deal with specific issues or when forming committees or project groups to ensure we use trustees' qualities and attributes effectively
- To identify gaps in knowledge and skills in order to consider any training or development interventions
- To target the recruitment of further trustees to the Board based on the skills or knowledge gaps
- To monitor the inclusivity and diversity of the Board and, if appropriate, target recruitment to the wider community

The Chair's Governance Committee will look at a broad range of selection methods, such as general advertising, linking into volunteering websites, or targeted recruitment for specific skills such as Treasurer etc, or under-represented groups.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

In all cases an information pack is sent out with a covering letter from the Chair and may include the Articles of Association, the latest financial statements, the guide to being a trustee, a trustee role profile and background information on St Luke's.

At this stage we would also gain confirmation that the applicant is not legally barred from being a charity trustee. Interested parties will be able to visit the hospice and to meet the SMT.

The pack will also include an application form. Suitable applicants will be invited for an interview with at least two trustees from the Chair's Governance Committee. Other trustees may stand in if there are conflicts of interest or trustees are unavailable. Following the interview, the chair will either:

- invite them to attend the next trustee meeting, and possibly come early to meet other trustees
- thank them for their interest and offer them alternative volunteering opportunities, or request permission to hold their details on file pending an appropriate vacancy

Details of the potential trustee will be circulated to the Board of Trustees in advance of the Board of Trustees meeting and any trustees wishing to meet them may do so at or before the Board of Trustees meeting. Any feedback or concerns will be notified to the chair.

The chair will normally make the invitation to membership of the Board of Trustees after confirmation that the potential trustee is still interested and approval by the Board of Trustees following attendance. References will be obtained by the Chief Executive's office and a formal DBS (Disclosure and Barring Service) check will be carried out. Once appointed, a member is a trustee under the Charities Act and a director under the Companies Act.

All new trustees will be provided with an induction programme appropriate for their role and interests, and will be assigned a "buddy" from the existing trustee Board and also a member of the SMT.

All trustees are required to complete St Luke's mandatory online training modules within three months of joining the organisation.

Objectives and activities of the charity

St Luke's Hospice Plymouth is a registered charity, a company limited by guarantee and is registered with the Care Quality Commission.

It is governed by a Board of Trustees comprising up to 14 trustees/directors who normally meet six times a year and who also participate in several sub committees and operational management groups. Day to day management is vested in the Chief Executive, who reports directly to the chair of trustees.

The principal object of the charity, as defined in the Articles of Association, is to relieve sickness amongst people suffering from terminal illness, in the city of Plymouth and surrounding districts. St Luke's core service is the provision of specialist palliative care for the population of Plymouth, South West Devon and South East Cornwall - a population in excess of 450,000. We work in partnership with others, delivering the education and support required to ensure the provision of excellent end-of-life care.

The Charities Act 2011, Section 4 requires charities to have due regard to public benefit. The trustees have reviewed the aims, goals, services and objectives of the charity in the light of this requirement and can confirm that St Luke's Hospice Plymouth serves for the public benefit. This Trustees' Report continues to evidence how the charity strives to meet need.

Our Vision

"A community where no person has to face dying alone, in pain or in distress." Our vision is a far-reaching aim towards which everyone involved in end-of-life care should strive. St Luke's vision provides an underlying service of purpose for staff, volunteers and stakeholders.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

Our Mission

"We work within our community in partnership with others to achieve dignity, comfort and choice for people affected by a life-limiting illness, by delivering and influencing exceptional care." Our mission sets out what St Luke's role will be in helping to enable our vision to be realised. This mission gives greater prominence to not just the direct delivery of end-of-life care, but also exerting even more influence upon others involved in end-of-life care by bringing our experience and expertise to the work of health and social care professionals.

Our Values - Professionalism, Respect, Compassion, Integrity

At St Luke's we are proud of, and passionate about our history and the care we provide. This has been achieved by the hard work, dedication and commitment of all the staff and volunteers who have made St Luke's what it is today. Our values are at the core of all our services. They inspire us and drive us, to ensure we provide the best possible care to as many local people as we can reach, living and dying with a terminal illness.

Annual Report

Reflecting on the past year, we have continued to deal with the impact of an economy that has shown sluggish growth, with GDP flat in the second half of 2024. Overall inflation has remained high with cost of food, energy, and insurance all increasing throughout the year. Following a general election in July 2024, we saw a change in government and promises of sweeping reforms to health through the creation of a 10-year plan. The NHS has continued to face significant pressures with record waiting lists, ongoing staff shortages and industrial action by healthcare workers.

Our local health and social care system remains challenged, particularly in relation to unplanned and emergency care, and the Devon Integrated Care Board/System (ICB/ICS) remains in the NHS England recovery support programme due its financial position. We have been working closely with the ICB, alongside our fellow hospices in Devon, to help shape their medium to long-term commissioning plan for end-of-life care. As part of this work, we have been clarifying commissioning intentions and informing the development of a costing model for future specialist end-of-life provision.

As Devon hospices, we sought short-term financial support for the 2025/26 financial year due to a substantial rise in staffing costs from April 2025. This was driven by a sharp increase in the National Minimum Wage, higher employer National Insurance contributions, and a reduction in the earnings threshold at which these contributions become payable. Despite much reassurance, this support has not materialised and with the ICB's current financial position we have been advised we will see no increase in our funding over the next two to three years unless provided nationally.

Alongside our local efforts, we have been actively engaged with our membership body (Hospice UK), in driving the national campaign to gain a fairer funding model from the government to ensure the long-term sustainability of hospices. This campaign has been successful in part with the commitment and release of capital funding from the Department of Health and Social Care (DHSC) of which we have received £179,000 for 2024/25 and are likely to receive £527,000 in additional funding for 2025/26. Work continues to address the funding of increasing operational costs and there is commitment from government that this will be addressed as part of their 10-year plan for reform of the NHS, due to be released in summer 2025.

This year has been a historic one with the introduction in October 2024 of a Bill to legalise assisted dying in England and Wales and its progression through parliament. As with Hospice UK and most other hospices, we have maintained a neutral position on the issue of assisted dying, but we have started to discuss internally the impact for our staff and our organisation should the Bill be passed into law and implemented in the next two to four years. This important issue has not only impacted the patients and families we serve but has also had a direct effect on St Luke's staff and volunteers.

Despite these challenges, our clinical services have continued to respond to the demands placed on them, with St Luke's supporting an increasing number of people through the year. We have continued to build on our partnerships with commissioners, NHS provider organisations and colleagues from hospices within Devon and the wider South West region so we can remain best placed to ensure end-of-life care remains high on the agenda within a challenged health and social care system.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

During the year, our well-established income generation streams have continued to perform well despite sluggish growth in the economy. New initiatives, trading under the b.kinda brand, aimed at providing alternative sources of income to help fill our growing funding gap, have sadly not performed. Following the closure of our mystery clothing box scheme in March 2024, we made the difficult decision to close our b.kinda coffee shop. It ceased trading in January 2025 due to continued poor financial performance and a lack of sustainable growth.

While we continue to explore alternative income opportunities as they arise, our focus over the next 18 months will be on strengthening and maximising our established income streams. All income-generating activities will remain under close review by the relevant sub-board committees, with corrective actions taken as necessary.

Our greatest asset as an organisation has always been our people. This year, we have been especially mindful of this, with the ongoing rise in the cost of living having a tangible impact on our staff and their families. Our People Services team has worked tirelessly to provide practical support and tools to help our staff manage these pressures and feel better equipped in the face of ongoing challenges.

Initiation of the process to recruit a permanent CEO for the organisation was approved by the Board of Trustees in September 2024. Following a comprehensive national recruitment campaign, George Lillie, our seconded CEO, was appointed to the substantive role in November 2024.

As a charity, we remain steadfast in our commitment to providing high quality end-of-life care, delivered with professionalism and compassion, and our goal is to ensure that no one in our community has to face death alone, in pain, or in distress. We are proud to report another successful 12 months of service. In the year ending 31 March 2025 the charity saw a significant number of new patient referrals, which contributed to the delivery of 3,822 individual episodes of care.

The total cost of providing our clinical services for the year was £7,820,818, compared to £7,690,905 in the previous year.

Highlights from the past year:

Following a CQC review in September 2024, we are proud to retain our overall rating of "Outstanding", with exceptional ratings in the following areas of assessment: Caring, Effective, Responsive, Well-Led and a "Good" rating in Safety. The inspectors highlighted consistently positive feedback from both patients and other healthcare providers. Patients and their families spoke highly of the staff, expressing that they felt supported and treated with warmth and kindness. The inspectors also noted that care was delivered by qualified and experienced teams who collaborate closely with other organisations to ensure a seamless and well-coordinated patient journey.

To enhance the physical environment for patients and their families at our specialist unit at Turnchapel, we invested in a significant revamp of our ward garden. In collaboration with garden designer Bruce Dorey and Devon-based contractors Urban Earth SW, we transformed the under-used space to better meet the needs of our patients. Improvements included creating dedicated areas where up to three beds can be wheeled outside, allowing patients to enjoy quality time with their families in the fresh air, and lighting that allows the garden to be enjoyed at night. We also restocked with a diverse range of plants, many designed to attract bees, butterflies and other pollinators, ensuring the garden remains vibrant and visually appealing throughout the year.

Investing in our people across the organisation is integral to our goals. Celebrating individual and team achievements of our staff and volunteers, we held our inaugural recognition awards ceremony, attended by more than 60 staff and volunteers. Overwhelmingly positive feedback from attendees and across the organisation, this will now be an annual event.

To make sure our organisation can continue to adapt and thrive in an ever-changing world, we conducted an external review of how the Board and its sub-committees should function. As a result of this we will introduce a new sub-committee board structure during 2025/26, closely aligned with our strategy, enabling both trustees and staff to focus more effectively on key priorities. Additionally, we will establish a Future Hospice Committee, dedicated to forward thinking and exploring opportunities for sustainability and growth in the years ahead.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

Our flagship fundraising events continued to perform well in 2024/25, with outstanding support from our staff, volunteers and participants. Midnight Walk 2024 returned to pre-Covid levels of 1,200 entrants, raising £125,000. Our 2025 Men's Day Out attracted 2,500 walkers, our highest number to date, and brought in £185,000.

We continue to be grateful for financial and in-kind support received from major sponsors. Our excellent relationships with philanthropic commercial supporters peaked with local firms gifting opportunities that included a special partner event at Plymouth Argyle FC in March 2025, as well as ongoing match day experiences for patients and their guests. Other partnership fundraising flourished, with in-aid-of events supported by our in-house team; a charity ball held in conjunction with business partners raising a record £37,500. We also saw an all-time high of 92 people taking part in Britain's Ocean City Running Festival to support St Luke's.

The Lottery draw exceeded its target, with profitability at a strong 67%. Our Open Gardens scheme saw larger numbers of visitors and a higher return per venue, and our Sponsor a Nurse campaign generated 111 new donors. Following full product reviews, the spring In Memory mailing and pre-Christmas Light up a Life campaigns both outperformed 2023/24. We also saw a 3% rise in the number of fundraisers during 2024/25 and new customer relationship management system ThankQ improved delivery of effective, targeted campaigns and donor management.

Financial review

The financial year 2024/25 ended with a deficit of £648,886. This is an increase in the deficit when compared to the budgeted deficit that was set at £570,884 for 2024/25. Due to the volatility of our income streams, there were many fluctuations during the year with fundraising seeing a very high level of donations, and bequests coming in £0.1m over budget. Retail saw a significantly reduced contribution compared to budget ending the year more than £0.6m under budget due to challenging retail sector conditions and significant reductions in the price of rag sent to textile merchants. Planned spending from designated reserves has meant that the year ended with a reduction in our overall reserves balance of £648,886.

Funding for the hospice comes from a number of sources but is mainly generated by our internal income generation teams and legacies. Our total income was £13,005,753, with basic NHS funding provided at £3.0m (23%) in the year, the charity itself generated £4.0m (30%) from donations and legacies and £5.2m (40%) through trading activities, and an additional £0.4m (3%) came from investment returns. The remaining 4% is from other activities including specific clinical or education projects.

Of the £7.8m we spent on clinical services, £3.0m (39%) was funded through the NHS, mainly via the local Integrated Care Boards (ICBs) either under a grant agreement or contract for services. The remainder was generated through the generosity of the public, for which we are immensely grateful. The majority of our NHS funding comes to us via a grant agreement with Devon ICB and this element represents 32.9% of the cost of our clinical services, or 19.8% of our total income for the year.

Retail's contribution to the charity after direct costs, was £1.0m which was significantly less than we anticipated, however fundraising efforts returned £0.3m more than budgeted, with incredibly strong results in a number of areas. Legacy income was strong at £2.0m. Our lottery team also had a successful year with a contribution after costs of more than £0.5m, which was significantly better than budget, however increased efforts are required to maintain and grow player numbers.

Our strategy of opening larger retail shops continues to pay off. In the year we opened new larger premises in Ivybridge. Our flagship events - Midnight Walk, Tour de Moor and Men's Day Out - were all very well attended and enjoyed.

The organisation made an overall loss of £648,886 (2024 – loss of £274,238), which is after including gains on investments of £116,456 (2024 – gain of £322,639). The year end position was achieved after charging depreciation of £438,242 (2024 - £397,199) funded by designated reserves.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

Trading activities have seen an increase of approximately 9% on last year's levels. Overall, income from trading activities reduced from £5,246,663 in 2023/24 to £5,236,613 in 2024/25.

Donations and legacies achieved £3,958,252 in the year compared to the previous year's £3,882,263. This is a strong income source for the hospice but one that is known to be very volatile and requiring careful monitoring. In 2024/25 the hospice recognised total bequests of £1,999,907 (2024 - £2,109,536) in the year, against a budget of £1,900,000. For pecuniary legacies, the recognition point is normally when notification of the grant of probate is received, and residuary legacies are normally recognised when draft estate accounts are available or other suitable information which allows the legacy to be measured with reasonable accuracy. Legacy income of £339,823 has been recognised as income in the accounts which will be received after the year end.

The cost of raising funds, excluding investment costs, rose from £5,911,779 to £5,950,277 an increase of 1% in the year. This was due in the main to increases in the National Living Wage and the introduction of additional shops.

Many of the charity's shops are leased and the related contracts require certain levels of repairs and decoration to be undertaken prior to the premises being returned at the end of the lease. We set aside a provision to meet existing liabilities in relation to these leases. Continued review of our retail operation results in annual fluctuations to this provision which now stands at £264,250 (2024: £247,212). The amounts have been estimated based on the known works that would be required if premises were returned in present condition, and values have been calculated by our facilities team, along with guidance from a firm of quantity surveyors. Further details are shown in Note 19.

Following the deficit of £648,886 in the year, total reserves have reduced to £12,976,971 (2024 - £13,625,857). This level of reserves places the hospice in a good position to tackle the significant underlying deficits we face over the medium term. We have budgeted for a deficit in 2025/26 and growing deficits over the following years because of the continuing rise in employment costs particularly as we strive to recruit and retain the necessary staff resources to deliver our services to the high standards we are renowned for.

We aim to bring these anticipated deficits back to a break-even position over the next three years through the implementation of our Deficit Recovery Plan. The hospice's strategic ambition of sustainability may require us to reduce services over the next five years to continue to deliver our excellent standards of care within the financial resources we have.

Designated Reserves

We continue to designate funds for service-based and invest-to-save projects which will be used to broaden our reach to a wider population and to invest in the continuous improvement of our services. In line with our strategy, we will invest in technology to continually improve the care we provide. Last year we have consolidated our designated reserves across our four new strategic aims of:

- Quality
- Partnerships
- People
- Sustainability

Financial sustainability is one of our key strategic objectives, however the hospice is currently in the position where our operating costs are exceeding our income by circa £1m. We have therefore instigated a Deficit Recovery Plan (DRP) which will bring together various actions that will have either an impact on growing our ongoing income or reducing our ongoing expenditure over several phases. With our current plans, it is not forecast for the charity to reach an ongoing breakeven position until 2027/28, hence we have transferred £1.2m into our Sustainability Reserve to meet the unfunded balances of these future years' deficits. This will enable us to operate without the need to instigate unplanned savings measures. We continue to designate reserves to smooth the impact of our annual bequest income, which can be difficult to predict with any certainty.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

During the year we used our designated funds to fund £0.292m of spend on our four Strategic Objectives Designated Reserves: for projects such as East Cornwall pilot, Inclusion Co-ordinator, Organisation Development initiatives, support for Phase 2 (P2P) of the Finance System project, Clinical Data analyst, Corporate Governance Review, as well as some residual costs from older projects such as Integrated Care Facilitators, Pastoral Care co-ordinator etc. Following additional designations in the year to support our anticipated deficit budgets, this leaves a combined balance of £2.358m in our Strategic Objective Designated Reserves.

We are on year three of our five-year capital plan. Spending on capital has been boosted with the two-year capital grant that has been awarded from the Department of Health and Social Care and administered through Hospice UK. The 2024/25 allocation for £179,000 has helped us to carry out much needed improvements to our gardens and grounds; we are delighted that our ward garden saw a total transformation last year including new paving, landscaping, quality planting and garden furniture installed for our patients and families to use. We have been notified of our grant for 2025/26 of £527,000 which will be spent on various capital initiatives to improve facilities or to generate resources to support our patient care.

Following movements in the year, our general funds have reduced from £4,844,005, to £3,728,283, a reduction of £1,115,722.

Our unrestricted funds, which are made up of free and designated reserves, are £12,938,623. This is a reduction of £623,091 from the previous year's balance of £13,561,714. This includes the investment revaluation reserve; although investments are held on a long-term basis, the portfolio is considered to be readily convertible and as such is included when calculating free reserves. Designated reserves, if uncommitted, can be undesignated should circumstances change and hence can be deemed as usable. As at 31 March 2025, free and uncommitted reserves represent nine months of expenditure, based on the organisation's total budgeted running costs for next year. This is in line with the previous year.

The charity's reserve policy reflects a risk-based approach. Pre-Covid, free reserves of at least £2.6m were required. This increased temporarily to £4.5m because of the initial and severe uncertainties the pandemic had on St Luke's finances. It is now at a level of £3m minimum risk requirement as we address the perceived risks within the hospice's finances. We are pleased to note that we are in excess of the minimum requirement.

Despite a deficit in the year, it was expected and is in line with our journey to bring the charity's income and expenditure back into balance by 2027/28. This reflects the determination of both the board and the Senior Management Team to ensure that the organisation remains financially sustainable in the long term. It must be acknowledged that the hard work and dedication of all our staff and volunteers has been the overriding reason for the successes of the past year.

Performance of our Clinical Services

During the year ended 31 March 2025, we received 2,011 new patient referrals, resulting in the delivery of 3,822 individual episodes of care. This compares with 4,298 episodes of care in the previous year. The 476 decrease of episodes of care is mainly due the six months loss of activity from the hospice hospital team who left St Luke's employment on 1 October 2024 and are now directly employed by University Hospitals Plymouth NHS Trust. We continue to work closely on a daily basis, united in our goals to provide high quality palliative and end-of-life care to patients and their loved ones.

While our local health and social care system in Devon remains extremely challenged, St Luke's clinical services continue to actively engage with partners to support the delivery of end-of-life services for our patients. This is evident from the increase in referrals to our services and the heartfelt messages of thanks we receive from them each week.

The highlight of 2024 was being informed by the Care Quality Commission (CQC) that we had retained our rating of 'Outstanding'. Between September and November 2024, the CQC carried out a formal assessment of clinical services. Retaining the overall rating of "Outstanding" is testament to the hard work and dedication of

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

all staff and volunteers. Given the pressures in the current healthcare system we were especially pleased that the CQC noted "the service consistently received positive feedback from both patients and other staff from providers the service worked with" and that CQC "observed the service engaged with other partners and local community groups to help drive and share good practice in end of life care".

In the past year we received 375 items of patient or family feedback, 260 responses through our 'I Want Great Care' patient survey and 115 written compliments. We were delighted to achieve a 12-month average rating of 4.9 out of 5 from our patient survey provider, who presented us with a Certificate of Excellence for 'consistently attaining outstanding patient feedback.'

We received seven complaints across all parts of St Luke's clinical services in the last year. All complaints are investigated with the intent of listening to an individual's experience to fully understand what did not go as they had wished and to identify areas for our improvement.

St Luke's was awarded Veteran Aware Status in February 2023 and we were delighted to maintain our accreditation following reinspection in March 2025. The accreditation team particularly noted St Luke's article on veteran support which was published on the national Hospice UK website in November 2024.

We continue to embed the principles and tools promoted as part of the Patient Safety Incident Response Framework (PSIRF). This includes use of reflect and learn sessions, supporting staff to become more familiar with SEIPS tools and systems thinking approach. We have initiated work with our key partner organisations to see how we can be more efficient and effective and learn together at system level. Acknowledging that patient pathways cross organisational boundaries, we feel our learning and improvement efforts should also reflect this.

In autumn 2024 the quality team and Specialist Unit clinicians held a 'reflect and learn' event to review and improve the management of inpatients' tissue viability. This resulted in a further reduction to the already low number of newly-acquired pressure ulcers which has been maintained for the past six months.

St Luke's Community Development team have continued to work with partners to support conversations and understanding of death, dying and bereavement, providing light touch support to local groups to establish compassionate cafes across Plymouth, South West and West Devon and East Cornwall. The team worked with Plymouth's Community Research initiative to facilitate a national 'Hospice Community Development' network which has now grown to a collaborative of 37 hospices.

A core initiative has been leading the Compassionate Schools Programme in Plymouth which continues to expand across the city and is now working with primary, as well as secondary, schools on their request. Collaboration with children's bereavement charity Jeremiah's Journey is planned for 2025/26.

Our Patient and Family Support Service has supported 3,155 patients and family members with 1,184 of those held as in-person meetings. We remain grateful to our skilled Befriending and Bereavement volunteers who supported 334 contacts on behalf of the team. Through our Patches service the team have worked with 81 children and their families, and supported education to support pupils in their school setting.

The St Luke's End of Life Coordination Hub launched in March 2025. This is a rapid response phone service to reassure callers that their concerns have been heard, to give assistance to resolve these concerns, and generate a timely response to prevent unnecessary hospital admissions. The service supports both patients and professionals and is poised to confirm St Luke's position at the heart of end-of-life care in Plymouth and the surrounding area. The hub will initially operate 7 days a week, 8am to 8pm. To support the coordination hub staff with prioritising calls we have fully implemented the Gold Standard Framework (GSF) prognostic indicator assessment tool for all patients under St Luke's care. This assists staff to direct resources to patients in greatest need and who have limited time available.

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It was with great pride that we celebrated the announcement in November 2024 of our second Queen's Nurse award. This coveted title is held by only 2,500 nurses in the UK and represents a commitment to the highest standards of patient care, learning and leadership.

As the end-of-life leader in our local health and social care system St Luke's has promoted and endorsed the use of the Devon-wide electronic Treatment Escalation Plan (E-TEP), being the first Devon hospice to introduce this into our daily practice.

Cost of Clinical Services

The total cost of our clinical services provision was £7,820,818. The following table gives a summary of our clinical activity during the year.

<u>Our clinical activities</u>		
	<u>2025</u>	<u>2024</u>
In Patient Care	<u>2025</u>	<u>2024</u>
Patients - See Note 1 below	231	*250
Admissions	245	267
Deaths	185	210
Discharges	58	48
Occupied bed days	3203	3313
% Occupied	73%	75%
Average length of patient stay (days)	13	12
Community Services (Including PFSS, AHP & IC patient support)	<u>2025</u>	<u>2024</u>
Patients - See Note 1 below	1940	1826
Patient/Carer visits	6682	5073
Patient/carer phone calls	9948	10167
Professional liaisons	3670	4981
EoL in the community, including Care package	<u>2025</u>	<u>2024</u>
Patients - See Note 1 below	820	758
Accepted referrals	928	877
Patient visits (by professional)	18314	19190
Hospital Services and Medical Outpatients	<u>2025</u>	<u>2024</u>
Hospital SPC service		
Patients referred - See Note 1 below	774	1399
Support contacts	2213	5452
Medical Outpatients		
Patients	57	65
Attendances	55	67
Other Clinical support	<u>2025</u>	<u>2024</u>
Bereavement Support Contacts (including telephone calls)	3675	2284
Education	<u>2025</u>	<u>2024</u>
No of internal individuals trained in the year	1494	1196
No of external parties/individuals trained in the year	443	450

Note 1 - In rare cases there may be a slight chance of double counting

NB - The prior year comparison marked with an asterisk (*) has been restated

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

Risks

Recruitment and retention of key staff remains challenging, and we continue to explore all options to widen our pool of candidates. We are also implementing a new HR system to streamline and improve the process for both applicant and recruiting manager. We proactively implement initiatives to support health and wellbeing of our staff and create a positive culture, and that is positively impacting on retention and our desire to remain an Employer of Choice.

Our predictions for expenditure are exceeding our income predictions, hence the forecast deficit of more than £1m expected next year. Our deficit recovery plan considers options for additional income generation and action plans to reduce costs across the organisation.

Retail and fundraising teams continue to perform exceptionally well in a slow-growing UK economy, however, the medium- to long-term impact on the high street and fundraising events remain unknown. We therefore continue to be cautious in our budget assumptions for future years. We are facing a period of economic unpredictability, as well as facing competition in general fundraising activities and public support for other charities. We acknowledge that income generation is getting increasingly challenging, and we are putting measures in place to manage this risk and will continue to explore diversifying our income streams.

It is critical that we maintain our IT systems at optimal levels. We are already moving to cloud-based solutions and engaging in a programme to obtain the highest accredited industry level of cyber security.

Working in a challenged health and care system locally, it is imperative that we adapt our model of care to the needs of the local population and support change in the wider system. Delivering end-of-life care is our speciality and we must stress the added value of our charitable funding. While we have built up the trust and respect of government, local donors and agencies over decades, we must continue to protect our reputation and brand.

Commissioners are increasingly looking for efficiencies and value for money in the services we deliver. It is essential to keep demonstrating the scope of our reach and further develop patient outcome measures to show the difference we make through our intervention.

In Devon we have an ageing population. Projections suggest the number of residents aged 65 to 84 will grow by 18% by 2035. The number of adults aged over 85 is expected to grow by as much as 52%. Meeting increased end of life care needs without significant additional funding will be challenging. We need to consider appropriate partnerships and collaboration with existing providers, ensuring appropriate agreements are in place, while protecting our own brand and image, and our ability to generate income.

Senior managers review key strategic and operational risks on a regular basis. They consider progress on mitigating actions, new and emerging risks and opportunities. Board sub committees and management groups help identify, evaluate, and manage risks relating to clinical services, fundraising, investments, business continuity, health and safety, remuneration, major infrastructure, IT projects and operational needs. The Board reviews risk and internal controls, approves the risk-based internal audit plan and receives regular internal audit reports, progress reports and corporate risk updates.

Our strategic aims

In our strategic plan 2019-24 we set out in detail how we wanted to build upon on our successes and strengths, five years on we have our revised strategy for 2024-27 where we not only reconfirm our dedication to providing and promoting exemplary and compassionate end-of-life care, but we are also committing ourselves to act as even more vociferous champions for patients and their loved ones.

Our strategic goals 2024-27

In our strategic planning, the challenge has been to find the right balance between continually developing our services and finding ways to respond to the increasing demand in a climate of severe funding pressures.

Our 2024-27 strategic plan will help us build on our successes and move towards achieving our mission and vision. This plan is driven by four high-level key strategic aims that set out what we want to achieve over the next three years in pursuit of our overarching vision.

Aim One: Delivering high quality care

Our aim is to deliver exemplary and compassionate end-of-life care services at the right time and in the right place, based on best practice.

Key activities will include:

- Reviewing and refining our clinical model to reflect international best practice and enable us to provide earlier support in the last year of life.
- Implementing a clinical workforce plan, making better use of Advanced Nurse Practitioners (ANPs) and other roles.
- Establishing a voice forum to engage with patients and their families.

Aim Two: Working in partnership

Our aim is to provide a strong voice for end-of-life care patients using our expertise to influence health and social care partners and improve services.

Key activities include:

- Engaging with other health and social care partners to develop a clear strategy for end-of-life care in Plymouth and surrounding areas.
- Establishing a coordination hub providing a single point of contact for both patients and clinicians
- Engaging with other hospices to explore opportunities for working together and potentially sharing resources.
- Developing a clear role for St Luke's in providing and/or supporting frailty services in the future.

Aim Three: Supporting our people

Our aim is to value, appreciate and empower all our people, both staff and volunteers, whilst enabling them to be the best that they can be within an open, inclusive and supportive culture.

Key activities will include:

- Raising the profile of our volunteers by regularly assessing and reporting the impact of their work through real-life stories
- Developing and promoting a range of events to support our priorities for wellbeing, recognition and inclusion.

**TRUSTEES' REPORT (CONTINUED)
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- Developing and delivering a programme for promoting and supporting health, inclusion, wellbeing and a 'just culture'.
- Conducting a thorough review and benchmarking of our pay and reward schemes.

Aim Four: Securing a sustainable future

Our aim is to be financially and environmentally sustainable, ensuring that our services are available to those needing them for many years to come.

Key activities will include:

- Developing a robust financial plan which secures financial balance over the next 4-5 years
- Developing a digital strategy which identifies opportunities and priorities for making better use of technology.
- Developing an approach to benchmarking our clinical and non-clinical services
- Developing and agreeing a plan for further improving income from legacies, fundraising and commercial activities

Key management personnel

The key management personnel identified by the board make up the Senior Management Team (SMT).

The board of trustees are responsible for setting remuneration levels for the charity's senior staff. The key objective for St Luke's is to ensure our approach offers fair pay to attract and keep appropriately qualified staff to lead, manage, support and/or deliver our objectives. The board complies with the Remuneration and Reward Policy for our charity which was revised and adopted in 2022-23.

In deciding SMT remuneration, the board of trustees have considered:

- The purposes, aims and values of the charity and its beneficiary needs
- How this remuneration impacts on the overall pay policy for all employees and for the SMT in particular
- The types of skills, experiences and competencies that St Luke's needs from its senior management team, the specific scope of these roles and the link to pay
- The charity's current strategic plan and how the implementation of this plan may affect the number of senior staff the charity needs to employ or recruit and the nature of these roles
- The charity's ability to pay and ensure any pay increases are in the context of St Luke's charitable purposes
- The board's assessment of the charity's performance and the SMT's performance against expectations, in both short and long term
- Appropriate available information on pay policies and practices in other organisations that can inform the decision on whether a level of pay is fair and reasonable. This has been achieved through local and national pay comparisons with other private, public and charitable organisations, including other hospices.

In addition to the points listed previously and in accordance with the Statement of Recommended Practice (SORP), St Luke's Hospice Plymouth, within our audited and published annual report and accounts, discloses the number of employees whose remuneration exceeds £60,000.

- Senior Management Team pay is formally reviewed on an annual basis against set objectives. The trustees are satisfied that there is appropriate, robust, transparent and fair remuneration in place for SMT.

Employee involvement

Research¹ shows there is a firm correlation between employee engagement and high performance across all sectors of the economy. Engagement/employee involvement is a priority for St Luke's and forms part of its 2024-27 Strategy. There are several areas St Luke's focuses on for engagement, detailed below.

Communication

There is a successful cascade of information throughout the organisation from SMT (Senior Management Team), SLT (Senior Leadership Team) and OMG (Organisational Management Group) to teams, including financial and other performance information. The SMT places great emphasis on engagement at all levels, for example wide consultation on development of the organisational strategy for the next three years. SMT also uses various mechanisms for communication ranging from Teams meetings, where the whole organisation is invited to join to hear updates on financial considerations, to walkabouts where they go across the organisation with Trustees to meet individual teams, which all supports developing trust in senior leaders.

Established communication networks across the wider organisation include Intranet and TV screens, with email and text messages used to deliver key messages. Work is ongoing to continue to provide more information via the Intranet, and focus remains on cost-of-living support, health and wellbeing, benefits, and general engagement. A summary of all information referred to, plus any events, recognitions, new starters and leavers, is provided in a People Engagement Update, shared electronically, and printed for those areas with limited access to a PC or email. Our SLT and OMG meet regularly to discuss organisational priorities and directly disseminate information to individual teams.

Staff consultation continues via staff surveys, with the latest survey live on 6 May 2025 (for staff and volunteers), working with staff to agree and build on existing plans following feedback, with organisational updates on progress. Health and wellbeing and engagement feedback portals have been created and are monitored on a regular basis, with feedback from SLT, OMG, and Employee Voice Forum (EVF) reflecting views from within teams and anything that has a wider impact.

Wellbeing, Inclusion and Belonging

The Health and Wellbeing Strategy is being reviewed with BEE Well representatives, now meeting regularly to monitor themes and share good practice and put forward recommendations for support.

Work and support continue on an ongoing basis through partnership working with the NHS health assessment teams, Livewell support and networks, plus the internal Menopause Awareness Group and mental health support through Andy's Man Club. Our second Inclusion Week was well attended by staff, local businesses and charities, and this event was referenced in our recent CQC report.

There was an event focused on the holistic elements of wellbeing, where colleagues entered a draw to 'win' various packages focusing on financial support and general wellbeing, ranging from a cost-effective recipe book and ingredients to a sleep support package, to local gym access.

Reward and Recognition

Recognition is vital to the retention of high-quality staff. The Recognition App accessible via the front page of the Intranet continues to be a popular forum for sharing positive feedback for colleagues. This recognition is key as evidence shows that peer recognition is 35% more likely to have a positive impact on company results compared to recognition from managers alone. Our first Recognition Event took place during 2024 and was so successful we are holding a further event in 2025. The event is designed to embed St Luke's culture by acknowledging individuals and teams who have lived the organisation's embraced values and behaviours. We continue to send thank-you cards to any individual or team recognised via the Intranet or app and these remain popular. The importance of recognition is not to be overlooked, where **90% of workers** said that a values-

¹ <https://engageforsuccess.org/wp-content/uploads/2015/09/The-Evidence.pdf>

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based, peer-to-peer recognition programme makes them more satisfied with their work. (Source: SHRM/Globoforce Survey)

Benefits sessions have been facilitated in the past, sharing all benefits accessible to our staff, and to our volunteers. Going forward there will be sessions entitled Your Benefits, Your Choice, providing an overview of everything on offer, how to access this and other signposting activities. This has been created based on demand and there will be separate sessions for staff and volunteers.

Growth and Development

The importance of development was identified as a priority from the outcomes of the survey in 2023 and is a critical factor in engagement. One of the ways St Luke's has developed this was to hold several events during National Apprenticeship Week, shining a light on the hard work and achievements of seven apprentices and sharing apprenticeship opportunities for colleagues to participate in with external providers visiting Turnchapel.

Eight new sessions have been developed and delivered over the past 18months, including but not limited to:

- Values
- Just Culture
- Unconscious Bias
- Inclusive Conversations
- Introduction to LGBT+
- Stress Management
- Effective 1-1s and PDRs
- Inclusion Ally Training

Each is receiving positive feedback and people continue to attend. There will be a review of development feedback from the 2025 survey in comparison, to see if the gap identified has been addressed.

The new PDR form also asks individuals to share what a 'good day' looks like at St Luke's and what keeps them engaged with our organisation. This information is being collated and will be reported to P&T, SMT and SLT on a bi-annual basis, to encourage positive knowledge sharing.

Leadership Behaviours

All of these elements listed will have limited impact without engagement from leaders across St Luke's. 'Valuing Each Other', the in-house development programme initially created for leaders, has been successfully running since May 2023, with 10 cohorts and more than 90 attendees completing the programme so far. The content continues to evolve, based on feedback and national best practice, with the possible introduction of a fourth day to reignite the passion for the sessions, building on knowledge and identifying gaps to explore further. Evaluation of the programme remains positive.

The aim of Valuing Each Other is to strengthen the trust among peers, empower colleagues and support managers to have heartfelt conversations, as well as create spaces to listen and reflect on how their teams are feeling and performing.

Leadership Walkarounds have been well received, giving SMT and trustees the opportunity to hear directly from frontline staff. Evidence suggests that this face-to-face interaction builds trust in leaders, increasing trust levels to over 80%.

The development of a fully interactive Manager's Toolkit is currently underway, based on feedback from managers, identifying gaps, as part of the Survey Working Group. This has been a highly collaborative project and has the full investment of the Operational Management Group who have input into the development, recognising and sharing any gaps they may have experienced as new managers.

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Fundraising practices

St Luke's Hospice Plymouth is registered with the Fundraising Regulator and adheres fully with the Code of Fundraising Practice. We are registered with the Gambling Commission for the delivery of our lottery and raffle and have a remote and non-remote operating licence.

One incident was reported by to the Gambling Commission due to human error which was corrected. We encourage all supporters or beneficiaries to contact us with any comment or complaint, in the first instance to the St Luke's team member responsible for the area of concern and then through our comments and complaints procedures, as published on our website. In the last year there was one preference request removal from mailings, two police reported incidents, seven other reported incidents, four complaints and no concerns raised regarding fundraising and lottery.

We monitor incidents, complaints and concerns through a central database, managed by the Head of Quality & Compliance. The Commercial Director and Head of Fundraising are automatically notified of all occurrences and data is reported to SMT and SLT at monthly meetings.

We engage two self-employed canvassers, and one remote telesales canvasser based in Plymouth, as well as self-employed and voluntary collectors. All third-party fundraisers are signed up to an annual contract and follow rigid fundraising standards. Failure to comply with any contractual or regulatory standards are investigated in line with the Lottery Policy and the hospice's own procedures.

We believe in the highest possible standards for our fundraising, considering supporters' preferences in all of our activity, ensuring it is compliant with regulatory standards and in line with the intent of those standards.

Personal data

St Luke's does not sell any personal data of any kind to any third parties, nor do we share supporter or beneficiary data for marketing purposes. We do share information with organisations working on our behalf to deliver services that supporters and beneficiaries have requested and always inform the supporter or beneficiary of what we are doing.

Protecting vulnerable people and others

St Luke's has robust practices that ensure we do not undertake any intrusive fundraising activity. We may from time to time undertake a telephone campaign or mailing. All campaigns are undertaken using telephone and mailing preference services and we ensure that within one year no person will receive what could be considered an intrusive or excessive number of contacts.

Existing supporters receive communications and contacts from St Luke's based upon their personal preferences shared with us or, where relevant, under legitimate interest.

Plans for future periods

We continue to navigate an economy that is recovering slowly, alongside and operating within a health and social care system facing ongoing challenges. Our strength as an organisation lies in our ability to adapt and evolve, all while maintaining a steadfast focus on the quality of the services we provide. We remain committed to being a leading voice of end-of-life care for the community we serve.

As part of our three-year strategy, which we launched in the summer of 2024, key areas for development this year include the rollout of our 'Coordination Hub' for end-of-life care which launched on 1 May. This hub will serve as a single point of contact for patients, families and clinicians, streamlining communication and improving the support to end-of-life patients.

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The setting up of a joint venture company with Rowcroft hospice to allow us to build upon our existing joint working around Information Technology (IT) to create a shared commercial entity to allow us to grow income from providing IT services and other support services to other hospices/charities.

As part of our medium-term plans to enhance our business intelligence capabilities, we have initiated the development of a digital data warehouse. This will enable automated reporting across various areas of the organisation, improving access to insights and supporting more informed decision-making.

Implementation of phase one of our deficit recovery plan will enable us to move to break even position over the next couple of years.

As part of our forward-looking plans, we aim to appoint a new Senior Management Team role, a Director of Future Hospices, on a fixed-term basis. This role will focus on driving key strategic projects that support innovation, sustainability, and the continued development of our services.

We have started a detailed project looking at increasing our lottery playing costs from quarter 3 in 2025/26, with the aim of increasing our lottery income to over £1m annually. Pivotal to its successful implementation will be how we communicate the reason for the increase with our current lottery players to minimise our level of attrition when implemented.

Our retail strategy continues to focus on optimum locations and excellent presentation of our shops in order to maximise potential income and balance the effects of a slower economy and a drop in textile prices for unsold stock. Our premises in several key locations have been earmarked for relocation or refurbishment in the coming year.

Reserves policy

The Board adopts a risk-based approach to reserves. As a mature organisation with a variety of established, albeit volatile, income streams and predictable and well-planned expenditure, the trustees consider it most appropriate for the hospice to operate a reserves policy centred on an analysis of the potential risks to the amounts of those income streams and of the potential risks of over expenditure. The risks to the hospice's key income and expenditure lines are therefore estimated in order to quantify the reserves that are required, giving the total risk reserve requirement. From this risk-based exercise the trustees determined that the hospice requires a risk reserve of £3m for 2025/26, (£2.9m 2024/25).

Reserves in excess of the risk reserve requirement will be designated to ensure sustainability and develop new and improved services in line with the needs and preferences of patients living with, and dying from, advanced incurable illness. As explained, we hold four designated reserves in respect of our four strategic aims:

- 1 – Quality
- 2 – Partnerships
- 3 – People
- 4 – Sustainability

These reserves are used to fund one-off projects that improve our position against these strategic aims. As we are operating at a significant deficit, we have agreed to retain enough to cover off the next three years of underlying budgeted deficits estimated at around £3.9m. However, there is one-off funding in the form of the 2025/26 Hospice UK administered capital grant and an estimated profit in 2026/27 from a new high profile fundraising event, in which case this £3.9m three-year deficit, reduces to £3.1m. If we then also assume that our Deficit Recovery Plan (DRP) Phase 1 actions achieve the savings estimated (£1.9m over 3 years) then the need to retain funds for the three-year deficits reduces to £1.2m. Our Sustainability Reserve has therefore been topped up by this amount.

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**TRUSTEES' REPORT (CONTINUED)
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Investment/Treasury management policy

An investment policy is in place which is reviewed annually by the Board. St Luke's keeps reserves in excess of working capital requirements in line with its reserves policy and, in line with the hospice's investment policy, these funds are invested. The trustees have appointed Brewin Dolphin as their agent to manage a diverse portfolio of suitable investments, taking into consideration the risk appetite of the charity as well as ethical requirements including the non-investment in tobacco-related products as well as social and ethical considerations. The trustees have selected an investment objective of a balance between income and capital growth. Global investment markets have seen a sustained period of economic volatility, and we work closely with Brewin Dolphin to manage these risks as well as taking up opportunities for income and capital growth. The value of investments at the year-end was £2,955,144. A gain of £229,960 was recognised in the accounts for 2024/25 in relation to our managed investments (2024 – loss £117,548).

As part of our wider Treasury Management Policy, we have invested in residential property as part of our legacy opportunities. Where we have been in the fortunate position of being the full beneficiaries of some estates and property, instead of realising the cash value of the properties, we have decided to retain them and rent out as residential lets. When interest rates have been low, this has proved beneficial, as rental income was far greater than interest rates. However, due to the fluctuations in interest rates, we are taking each property on a case-by-case basis. As at 31 March 2025, we held four residential properties at a value of £1,616,000. Following the move of our Plympton shop which we own, to larger premises nearby we have recognised the currently vacant owned property as an investment asset whilst we pursue future disposal options for the site.

Going concern

We believe that the charity's financial statements should be prepared on a going-concern basis on the grounds that current and future sources of funding or support will be adequate for the charity's needs.

We are currently dealing with an underlying budget deficit of circa £1m per annum due to the impact of rising staff costs including significant increases to the National Minimum Wage and National Insurance employer contributions, which we have been unable to match with increased income. We are tackling this underlying budget deficit through our Deficit Recovery Plan (DRP) which has progressed through our trustees with the agreement of a number of phase 1 actions. These actions alongside the one-off funding from the Department of Health and Social Care arranged via Hospice UK, will mean we expect to end 2025/26 in a break-even position. An additional measure in 2026/27 is our Guiding Lights Art Trail and Auction which is expected to give one-off funding which will assist our overall position prior to full implementation of the DRP. The DRP will continue through phases 2 and 3 to return the hospice to breakeven position with the expectation that our ongoing income sources will match our ongoing expenditure commitments by the end of 2027/28.

We have set aside an additional £1.2m in our Sustainability Reserve to ensure we have sufficient reserves to act as a buffer. This will allow time for the DRP to take effect, helping to reduce any adverse impacts on our clinical services should operating costs need to be reduced.

Following an assessment of our cash flow it has been confirmed that there is sufficient cash to meet the charity's operating requirements.

Each of the persons who are trustees at the time when this Trustees' Report is approved has confirmed that, so far as the trustee is aware, there is no relevant audit information of which the company's auditors have not been made aware.

The Auditors

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office.

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**TRUSTEES' REPORT (CONTINUED)
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Conclusion

Finally, the Board would like to take this opportunity to thank all the trustees, the Senior Management Team and staff, and the 576 volunteers, all of whom are dedicated to the charity, and who work so hard and contribute to its success. The Trustees' Report, incorporating the Strategic Report, was approved by the Board, and signed on its behalf by



Mr D N Thomas
Chair of Trustees
22 July 2025

**ST. LUKE'S HOSPICE PLYMOUTH
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2025**


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

Company law requires the Trustees to prepare financial statements for each financial . 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 Group and the Company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the Board of Trustees and signed on its behalf by:



Mr D N Thomas
Chair of Trustees

Date: 22nd July 2025

**ST. LUKE'S HOSPICE PLYMOUTH
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST. LUKE'S HOSPICE PLYMOUTH

OPINION

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

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2025 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST. LUKE'S HOSPICE PLYMOUTH
(CONTINUED)**

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

OPINION 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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST. LUKE'S HOSPICE PLYMOUTH
(CONTINUED)**

AUDITORS' 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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- We have considered the nature of the sector, control environment and financial performance;
- We have considered the results of enquiries with management and trustees in relation to their own identification and assessment of the risk of irregularities within the group; and
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation;
- We have identified any matters having obtained and reviewed the Group's documentation of their policies and procedures relating to:
 - Identifying, evaluation and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - The internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to income recognition, with a particular risk in relation to year-end cut off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities Act 2011, Charity SORP 2019, FRS 102 and the terms and conditions attaching to material grants received by the Group. In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or avoid a material penalty. These included the Health & Social Care Act, data protection regulations, health and safety regulations, employment legislation, the Code of Fundraising Practice and gambling legislation.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing board meeting minutes;
- Enquiring of management in relation to actual and potential claims or litigations;
- Performing detailed transactional testing in relation to the recognition of income, specifically grants and legacies, with a particular focus around year-end cut off; and

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST. LUKE'S HOSPICE PLYMOUTH
(CONTINUED)**

- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

As a result of the inherent limitations of an audit, there is a risk that not all irregularities, including a material misstatement in financial statements or non-compliance with regulation, will be detected by us. The risk increases the further removed compliance with a law and regulation is from the events and transactions reflected in the financial statements, given we will be less likely to be aware of it, or should the irregularity occur as a result of fraud rather than a one-off error, as this may involve intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' 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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Alison Oliver FCA (Senior Statutory Auditor)

for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date: *13 August 2025*

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2025**

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
INCOME FROM:					
Donations and legacies	3	3,943,450	14,802	3,958,252	3,882,263
Charitable activities	4	3,113,583	283,898	3,397,481	3,371,353
Other trading activities	5	5,236,613	-	5,236,613	5,246,663
Investments	6	400,336	-	400,336	376,119
Other income		13,071	-	13,071	129,409
TOTAL INCOME		12,707,053	298,700	13,005,753	13,005,807
EXPENDITURE ON:					
Raising funds		5,936,628	13,649	5,950,277	5,911,779
Charitable activities	7	7,697,030	123,788	7,820,818	7,690,905
TOTAL EXPENDITURE		13,633,658	137,437	13,771,095	13,602,684
NET (EXPENDITURE)/INCOME BEFORE NET GAINS ON INVESTMENTS					
		(926,605)	161,263	(765,342)	(596,877)
Net gains on investments		116,456	-	116,456	322,639
NET (EXPENDITURE)/INCOME		(810,149)	161,263	(648,886)	(274,238)
Transfers between funds	20	187,058	(187,058)	-	-
NET MOVEMENT IN FUNDS		(623,091)	(25,795)	(648,886)	(274,238)
RECONCILIATION OF FUNDS:					
Total funds brought forward		13,561,714	64,143	13,625,857	13,900,095
Net movement in funds		(623,091)	(25,795)	(648,886)	(274,238)
TOTAL FUNDS CARRIED FORWARD		12,938,623	38,348	12,976,971	13,625,857

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 30 to 57 form part of these financial statements.


**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:01505753**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025**

	Note	2025 £	2024 £
FIXED ASSETS			
Intangible assets	12	89,745	103,999
Tangible assets	13	1,927,733	2,122,400
Investments	15	2,947,968	2,955,144
Investment property	14	1,866,000	1,605,000
		<u>6,831,446</u>	<u>6,786,543</u>
CURRENT ASSETS			
Stocks		30,745	50,753
Debtors	16	1,003,074	1,279,477
Cash at bank and in hand	24	6,177,687	6,788,034
		<u>7,211,506</u>	<u>8,118,264</u>
Creditors: amounts falling due within one year	17	(744,424)	(1,018,330)
		<u>6,467,082</u>	<u>7,099,934</u>
NET CURRENT ASSETS		6,467,082	7,099,934
TOTAL ASSETS LESS CURRENT LIABILITIES		13,298,528	13,886,477
Creditors: amounts falling due after more than one year	18	(10,564)	(13,408)
Provisions for liabilities	19	(310,993)	(247,212)
TOTAL NET ASSETS		12,976,971	13,625,857
CHARITY FUNDS			
Restricted funds	20	38,348	64,143
Unrestricted funds	20	12,938,623	13,561,714
TOTAL FUNDS		12,976,971	13,625,857

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


Mr D N Thomas
Chair of Trustees
Date: 22nd July 2025


Mrs H Hocking
Treasurer

The notes on pages 30 to 57 form part of these financial statements.

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:01505753**


**COMPANY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2025**

	Note	2025 £	2024 £
FIXED ASSETS			
Intangible assets	12	89,745	103,999
Tangible assets	13	1,927,733	2,122,400
Investments	15	2,947,970	2,955,146
Investment property	14	1,866,000	1,605,000
		<u>6,831,448</u>	<u>6,786,545</u>
CURRENT ASSETS			
Debtors	16	1,056,120	1,321,823
Cash at bank and in hand		5,851,195	6,614,073
		<u>6,907,315</u>	<u>7,935,896</u>
Creditors: amounts falling due within one year	17	(667,715)	(994,050)
NET CURRENT ASSETS		<u>6,239,600</u>	<u>6,941,846</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>13,071,048</u>	<u>13,728,391</u>
Creditors: amounts falling due after more than one year	18	(10,564)	(13,408)
Provisions for liabilities	19	(310,993)	(247,212)
TOTAL NET ASSETS		<u><u>12,749,491</u></u>	<u><u>13,467,771</u></u>
CHARITY FUNDS			
Restricted funds	20	38,348	64,143
Unrestricted funds	20	12,711,143	13,403,628
TOTAL FUNDS		<u><u>12,749,491</u></u>	<u><u>13,467,771</u></u>

The Company's net movement in funds for the year was £(718,280) (2024 - £(111,175)).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


Mr D N Thomas
 Chair of Trustees
 Date: 22nd July 2025


Mrs H Hocking
 Treasurer

The notes on pages 30 to 57 form part of these financial statements.

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025**

	Note	2025 £	2024 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	23	(584,574)	(803,922)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from the sale of tangible fixed assets		-	563,491
Purchase of intangible assets		(21,132)	(15,068)
Purchase of tangible fixed assets		(268,144)	(405,902)
Expenditure on investment properties		(58,161)	-
Investment income received		56,188	38,337
Interest received		268,105	259,728
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES		(23,144)	440,586
CASH FLOWS FROM FINANCING ACTIVITIES			
New finance leases		-	18,145
Repayments of finance leases		(2,629)	(2,109)
NET CASH (USED IN)/PROVIDED BY FINANCING ACTIVITIES		(2,629)	16,036
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		(610,347)	(347,300)
Cash and cash equivalents at the beginning of the year		6,788,034	7,135,334
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	24	6,177,687	6,788,034

The notes on pages 30 to 57 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

St. Luke's Hospice Plymouth meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Statement of Financial Position consolidate the financial statements of the Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Group 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 these financial statements.

1.2 GOING CONCERN

After making enquiries, the Trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

We are currently dealing with an underlying budget deficit due to the impact of rising staff costs including significant increases to the National Minimum Wage and National Insurance, which we have been unable to match with increased income. We are tackling this underlying budget deficit through our Deficit Recovery Plan (DRP) which has progressed through our trustees with the agreement of a number of phase 1 actions. The DRP will continue through phases 2 and 3 to return the hospice to breakeven position with the expectation that our ongoing income sources will match our ongoing expenditure commitments by the end of 2027/28.

Although staffing costs are growing significantly and putting pressure on our cost base, and hence our ability to operate within our income levels, there are sufficient reserves to act as a contingency fund. Trustees have assessed a period of 12 months beyond the date of signing of these accounts, and it is for these reasons the trustees consider the group is a going concern.

1.3 INCOME

All income is recognised in the Statement of Financial Activities (SoFA) once the group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. The following specific policies are applied to particular categories of income:

- Legacies - The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Pecuniary legacies are recognised where a Grant of Probate is in place and the gift has been confirmed by the executor to the Will. Residual legacies are recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the group, can be reliably measured. Reversionary interests involving a life tenant are not recognised. Amounts for pecuniary and residuary cases not included in legacy income are disclosed as a contingent asset in note 26.

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

1. ACCOUNTING POLICIES (continued)

1.3 INCOME (CONTINUED)

- Grants are recognised in full in the SoFA when the charity has unconditional entitlement to the funds. Where grants are subject to performance conditions, income is recognised as the charity earns the right to the grant through performance.
- Donations are generally recognised when received. For event income, entitlement is counted at the date of the event. Where income is received in advance, recognition is deferred and included in creditors and where entitlement arises before income is received, the income is accrued
- Gift Aid receivable is included in income when there is a valid Gift Aid declaration from the donor and the donation has been received. Gift Aid tax reclaim income not received by the year end are accounted for as accrued income in debtors.
- Lottery income is accounted for in respect of those draws that have taken place in the year, when the charity becomes entitled to the proceeds. Any payments received in advance of the draw date are held as debtors.
- Charity Shop Income from the sale of both purchased and donated goods is recognised at the point of sale. Proceeds from the sale of goods belonging to supporters sold under the retail Gift Aid scheme are treated as sales of donated goods.
- Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.
- Where income has related expenditure (as with fundraising or contract income), the income and related expenditure are reported gross in the statement of financial activities.

1.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

1. ACCOUNTING POLICIES (continued)

1.5 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 TAXATION

The Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.7 INTANGIBLE ASSETS AND AMORTISATION

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Computer software	-	20-33%
Computer software under construction	-	Not amortised until brought into use

1.8 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	-	4-7%
Equipment and furniture	-	4-67%
Motor vehicles	-	14-33%
Assets under construction	-	Not depreciated until brought into use

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

1. ACCOUNTING POLICIES (continued)

1.9 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Statement of Financial Position date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

1.10 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.11 DEBTORS

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

1.12 CASH AT BANK AND IN HAND

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

1.13 LIABILITIES

Liabilities and provisions are recognised when there is an obligation at the Statement of Financial Position date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.14 PROVISIONS

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event which is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.15 FINANCIAL INSTRUMENTS

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

1. ACCOUNTING POLICIES (continued)

1.16 FINANCE LEASES AND HIRE PURCHASE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.17 OPERATING LEASES

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

1.18 PENSIONS

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

The Group is a member of a multi-employer plan. Where it is not possible for the Group to obtain sufficient information to enable it to account for the plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

1.19 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 the Group and which have not been designated for other purposes.

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group 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, gains and losses are allocated to the appropriate fund.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

Provisions are made for shop dilapidation and costs required. This is subject to management estimates and judgements of the future costs.

Management exercise judgement in the recognition of income from legacies. Judgement is applied to establish entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable.

3. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Donations	1,939,639	14,802	1,954,441
Legacies	2,003,811	-	2,003,811
	<u>3,943,450</u>	<u>14,802</u>	<u>3,958,252</u>
	<u>3,943,450</u>	<u>14,802</u>	<u>3,958,252</u>
	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Donations	1,731,226	41,501	1,772,727
Legacies	2,041,604	67,932	2,109,536
	<u>3,772,830</u>	<u>109,433</u>	<u>3,882,263</u>
	<u>3,772,830</u>	<u>109,433</u>	<u>3,882,263</u>

**ST. LUKE'S HOSPICE PLYMOUTH
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4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
NHS Basic Funding	2,934,407	-	2,934,407
End of Life Care Education Projects	-	93,845	93,845
DHSC Hospice Capital Grant via Hospice UK	-	179,059	179,059
Other Income	179,176	10,994	190,170
TOTAL 2025	3,113,583	283,898	3,397,481
	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
NHS Basic Funding	3,090,799	-	3,090,799
End of Life Care Education Projects	-	94,534	94,534
Other Income	158,046	27,974	186,020
TOTAL 2024	3,248,845	122,508	3,371,353

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5. INCOME FROM OTHER TRADING ACTIVITIES

Income from non charitable trading activities

	Unrestricted funds 2025 £	Total funds 2025 £
Shops/ b.kinda	4,469,260	4,469,260
Lottery	767,353	767,353
	<u>5,236,613</u>	<u>5,236,613</u>

	Unrestricted funds 2024 £	Total funds 2024 £
Shops/ b.kinda	4,483,262	4,483,262
Lottery	763,401	763,401
	<u>5,246,663</u>	<u>5,246,663</u>

6. INVESTMENT INCOME

	Unrestricted funds 2025 £	Total funds 2025 £
Income from property	56,188	56,188
Investment income	76,043	76,043
Bank interest receivable	268,105	268,105
	<u>400,336</u>	<u>400,336</u>

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6. INVESTMENT INCOME (CONTINUED)

	Unrestricted funds 2024 £	Total funds 2024 £
Income from property	38,337	38,337
Investment income	78,054	78,054
Bank interest receivable	259,728	259,728
	<u>376,119</u>	<u>376,119</u>

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
In Patient Care	3,256,319	3,325	3,259,644
Community Services	3,528,906	11,560	3,540,466
Hospital Services and Medical Operations	408,588	208	408,796
Education	503,217	108,695	611,912
	<u>7,697,030</u>	<u>123,788</u>	<u>7,820,818</u>

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
In Patient Care	3,143,648	1,008	3,144,656
Community Services	3,100,036	100,198	3,200,234
Hospital Services and Medical Operations	767,612	230	767,842
Education	414,049	164,124	578,173
	<u>7,425,345</u>	<u>265,560</u>	<u>7,690,905</u>

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8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2025 £	Support costs 2025 £	Total funds 2025 £
In Patient Care	2,715,228	544,416	3,259,644
Community Services	2,947,191	593,275	3,540,466
Hospital Services and Medical Operations	292,140	116,656	408,796
Education	441,618	170,294	611,912
	<u>6,396,177</u>	<u>1,424,641</u>	<u>7,820,818</u>

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £
In Patient Care	2,717,246	427,410	3,144,656
Community Services	2,686,830	513,404	3,200,234
Hospital Services and Medical Operations	600,952	166,890	767,842
Education	395,493	182,680	578,173
	<u>6,400,521</u>	<u>1,290,384</u>	<u>7,690,905</u>

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8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

Support costs are allocated on the following basis: costs are allocated directly where possible for all management, finance, IT and HR spend, and the remaining are apportioned on the basis of time spent across each of the charitable and income generation services, whilst HR support costs are apportioned on the basis of the number of personnel in each area of charitable and income generation activity.

	2025 £	2024 £
Cost of raising funds		
Shops	337,506	403,661
Lottery	47,630	36,939
B.kinda clothing and coffee	82,478	97,892
Fundraising and publicity	267,528	264,064
Investment and other	66,288	149,402
	<u>801,430</u>	<u>951,958</u>
Charitable activities		
In patient care	481,725	327,869
Community services	508,118	374,693
Hospital services and medical ops	74,077	97,534
Education	117,659	98,232
	<u>1,181,579</u>	<u>898,328</u>
Governance costs		
Audit & accountancy	26,821	26,795
Legal and professional	4,955	15,042
Other	257,613	421,829
	<u>289,389</u>	<u>463,666</u>

9. AUDITORS' REMUNERATION

The auditors' remuneration for the group amounts to an auditor fee of £24,850 (2024: £25,760), and non-audit services of £1,570 (2024: £1,500).

**ST. LUKE'S HOSPICE PLYMOUTH
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10. STAFF COSTS

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Wages and salaries	8,411,960	8,310,603	8,200,122	8,060,908
Social security costs	732,363	742,306	718,679	722,276
Contribution to defined contribution pension schemes	748,706	774,763	736,745	757,410
	<u>9,893,029</u>	<u>9,827,672</u>	<u>9,655,546</u>	<u>9,540,594</u>

During the year, there were 6 redundancies. Redundancy payments amounted to £44,140 (2024: £711). The amounts are included in wages and salaries in the table above.

The average number of persons employed by the Group and Company during the year was as follows:

	Group 2025 No.	Group 2024 No.	Company 2025 No.	Company 2024 No.
Clinical and direct care	128	128	128	128
Direct support	46	45	46	45
Office and administration	50	50	50	50
Fund generating teams	108	107	101	97
	<u>332</u>	<u>330</u>	<u>325</u>	<u>320</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2025 No.	Group As restated 2024 No.
In the band £60,001 - £70,000	3	1
In the band £70,001 - £80,000	2	4
In the band £80,001 - £90,000	1	-
In the band £90,001 - £100,000	1	-

Total remuneration (including employers national insurance and pension contributions) paid to key management personnel of the Group, comprising of the Senior Management Team, amounted to £429,687 (2024: £400,877) for the year.

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FOR THE YEAR ENDED 31 MARCH 2025**

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2024: £Nil).

During the year ended 31 March 2025, expenses totalling £1,064 were reimbursed or paid directly to 2 Trustees (2024: £Nil to no Trustees).

12. INTANGIBLE ASSETS

GROUP AND COMPANY

	Computer software £	Computer software in development £	Total £
COST			
At 1 April 2024	163,420	3,400	166,820
Additions	-	21,132	21,132
Disposals	(23,520)	-	(23,520)
	<u>139,900</u>	<u>24,532</u>	<u>164,432</u>
At 31 March 2025			
AMORTISATION			
At 1 April 2024	62,821	-	62,821
Charge for the year	32,773	-	32,773
On disposals	(20,907)	-	(20,907)
	<u>74,687</u>	<u>-</u>	<u>74,687</u>
At 31 March 2025			
NET BOOK VALUE			
	<u>65,213</u>	<u>24,532</u>	<u>89,745</u>
At 31 March 2025			
	<u>100,599</u>	<u>3,400</u>	<u>103,999</u>
At 31 March 2024			

**ST. LUKE'S HOSPICE PLYMOUTH
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13. TANGIBLE FIXED ASSETS

GROUP AND COMPANY

	Freehold property £	Equipment and furniture £	Motor vehicles £	Assets under construction £	Total £
COST					
At 1 April 2024	6,809,105	1,446,619	38,923	4,055	8,298,702
Additions	109,423	129,353	-	29,368	268,144
Transfer to investment property	(135,000)	(14,800)	-	-	(149,800)
Disposals	-	(143,485)	-	-	(143,485)
Transfers between classes	-	4,055	-	(4,055)	-
At 31 March 2025	<u>6,783,528</u>	<u>1,421,742</u>	<u>38,923</u>	<u>29,368</u>	<u>8,273,561</u>
DEPRECIATION					
At 1 April 2024	5,241,651	914,636	20,015	-	6,176,302
Charge for the year	274,819	158,058	5,365	-	438,242
Transfer to investment property	(124,200)	(3,445)	-	-	(127,645)
On disposals	-	(141,071)	-	-	(141,071)
At 31 March 2025	<u>5,392,270</u>	<u>928,178</u>	<u>25,380</u>	<u>-</u>	<u>6,345,828</u>
NET BOOK VALUE					
At 31 March 2025	<u><u>1,391,258</u></u>	<u><u>493,564</u></u>	<u><u>13,543</u></u>	<u><u>29,368</u></u>	<u><u>1,927,733</u></u>
At 31 March 2024	<u><u>1,567,454</u></u>	<u><u>531,983</u></u>	<u><u>18,908</u></u>	<u><u>4,055</u></u>	<u><u>2,122,400</u></u>

**ST. LUKE'S HOSPICE PLYMOUTH
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14. INVESTMENT PROPERTY

GROUP AND COMPANY

	Freehold investment property £
VALUATION	
At 1 April 2024	1,605,000
Additions	58,161
Transfer from tangible fixed assets	22,155
Surplus on revaluation	180,684
At 31 March 2025	<u>1,866,000</u>

The additions to investment property were independently valued in 2024. The Trustees have revalued the investment property in the year based on their knowledge and experience of the current market conditions. The transfer from tangible fixed assets during the year relates to commercial premises owned by the hospice which had previously been used by the Retail Operation as a charity shop but at the year end was held as an investment. The £22k shown in the table above represents the net book value at the point of transfer, but the property is now held in the Statement of Financial Position at fair value.

**ST. LUKE'S HOSPICE PLYMOUTH
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15. FIXED ASSET INVESTMENTS

GROUP	Listed investments £
COST OR VALUATION	
At 1 April 2024	2,955,144
Additions	681,592
Disposals	(614,836)
Revaluations	(73,932)
AT 31 MARCH 2025	2,947,968
NET BOOK VALUE	
AT 31 MARCH 2025	2,947,968
AT 31 MARCH 2024	2,955,144

COMPANY	Investments in subsidiary companies £	Listed investments £	Total £
COST OR VALUATION			
At 1 April 2024	2	2,955,144	2,955,146
Additions	-	681,592	681,592
Disposals	-	(614,836)	(614,836)
Revaluations	-	(73,932)	(73,932)
AT 31 MARCH 2025	2	2,947,968	2,947,970
NET BOOK VALUE			
AT 31 MARCH 2025	2	2,947,968	2,947,970
AT 31 MARCH 2024	2	2,955,144	2,955,146

**ST. LUKE'S HOSPICE PLYMOUTH
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FOR THE YEAR ENDED 31 MARCH 2025**

16. DEBTORS

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
DUE AFTER MORE THAN ONE YEAR				
Amounts owed by group undertakings	-	-	50,000	50,000
DUE WITHIN ONE YEAR				
Trade debtors	103,158	194,143	103,158	194,143
Amounts owed by group undertakings	-	-	7,089	-
Other debtors	156,529	157,058	156,529	156,205
Prepayments and accrued income	708,033	857,129	703,949	850,328
Tax recoverable	35,354	71,147	35,395	71,147
	1,003,074	1,279,477	1,056,120	1,321,823

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Trade creditors	215,702	332,387	212,590	267,013
Amounts owed to group undertakings	-	-	-	129,603
Other taxation and social security	153,745	154,405	151,477	148,243
Obligations under finance lease and hire purchase contracts	2,843	2,628	2,843	2,628
Other creditors	89,893	97,793	89,101	93,197
Accruals and deferred income	282,241	431,117	211,704	353,366
	744,424	1,018,330	667,715	994,050
	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Deferred income at 1 April 2024	80,701	112,167	23,869	52,253
Resources deferred during the year	92,436	80,701	36,515	23,869
Amounts released from previous periods	(80,701)	(112,167)	(23,869)	(52,253)
	92,436	80,701	36,515	23,869

Deferred income of £92,436 (2024: £80,701) is included within total accruals and deferred income. Deferred income relates to lottery income, educational course income and event income received in advance.

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18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Net obligations under finance lease and hire purchase contracts	10,564	13,408	10,564	13,408

19. PROVISIONS

GROUP AND COMPANY

	Dilapidation provision £	Onerous lease provision £	Total £
At 1 April 2024	247,212	-	247,212
Additions	49,554	46,743	96,297
Amounts used	(24,154)	-	(24,154)
Amounts reversed	(8,362)	-	(8,362)
	264,250	46,743	310,993

Dilapidation provisions are made for the repairs, maintenance and rectification of shop premises held by the Group. The timing of the payments required are linked to the individual shop leases. The amounts have been estimated based on the known works that would be required if premises were returned in present condition, and values have been calculated by the premises team of the Group, along with guidance from a firm of quantity surveyors.

The onerous lease provision represents the unavoidable costs of meeting the lease obligations on a commercial property from which the group is no longer receiving economic benefits.

**ST. LUKE'S HOSPICE PLYMOUTH
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**NOTES TO THE FINANCIAL STATEMENTS
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20. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2025 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Fixed Asset Fund	2,226,026	-	(442,985)	245,566	-	2,028,607
Investment Revaluation Reserve	741,683	-	-	(34,538)	116,456	823,601
Legacies Reserve	1,000,000	-	-	-	-	1,000,000
Sustainability Reserve	250,000	-	(9,639)	1,100,000	-	1,340,361
Quality Reserve	750,000	-	(112,737)	(100,000)	-	537,263
Partnerships Reserve	600,000	-	(79,888)	(100,000)	-	420,112
People Reserve	250,000	-	(89,604)	(100,000)	-	60,396
Revenue Reserve	2,900,000	-	-	100,000	-	3,000,000
	<u>8,717,709</u>	<u>-</u>	<u>(734,853)</u>	<u>1,111,028</u>	<u>116,456</u>	<u>9,210,340</u>
GENERAL FUNDS						
General funds	5,091,217	12,756,607	(12,931,321)	(923,970)	-	3,992,533
Dilapidation provision	(247,212)	(49,554)	32,516	-	-	(264,250)
	<u>4,844,005</u>	<u>12,707,053</u>	<u>(12,898,805)</u>	<u>(923,970)</u>	<u>-</u>	<u>3,728,283</u>
TOTAL UNRESTRICTED FUNDS	<u>13,561,714</u>	<u>12,707,053</u>	<u>(13,633,658)</u>	<u>187,058</u>	<u>116,456</u>	<u>12,938,623</u>

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20. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2025 £
RESTRICTED FUNDS						
Other Funds	9,628	201,855	(10,537)	(187,058)	-	13,888
Project Funds	54,515	96,845	(126,900)	-	-	24,460
	<u>64,143</u>	<u>298,700</u>	<u>(137,437)</u>	<u>(187,058)</u>	<u>-</u>	<u>38,348</u>
TOTAL OF FUNDS	<u><u>13,625,857</u></u>	<u><u>13,005,753</u></u>	<u><u>(13,771,095)</u></u>	<u><u>-</u></u>	<u><u>116,456</u></u>	<u><u>12,976,971</u></u>

**ST. LUKE'S HOSPICE PLYMOUTH
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20. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Fixed Asset Fund	2,619,609	-	(435,004)	41,421	-	2,226,026
Investment Revaluation Reserve	471,955	-	-	(52,911)	322,639	741,683
Legacies Reserve	1,000,000	-	-	-	-	1,000,000
Sustainability Reserve	50,000	-	-	200,000	-	250,000
Quality Reserve	-	-	-	750,000	-	750,000
Partnerships Reserve	-	-	-	600,000	-	600,000
People Reserve	-	-	-	250,000	-	250,000
Revenue Reserve	3,300,000	-	-	(400,000)	-	2,900,000
Other Designated Funds	2,784,176	-	(810,755)	(1,973,421)	-	-
	<u>10,225,740</u>	<u>-</u>	<u>(1,245,759)</u>	<u>(584,911)</u>	<u>322,639</u>	<u>8,717,709</u>
GENERAL FUNDS						
General funds	3,762,257	12,818,866	(12,081,317)	591,411	-	5,091,217
Dilapidation provision	(212,625)	(45,000)	10,413	-	-	(247,212)
	<u>3,549,632</u>	<u>12,773,866</u>	<u>(12,070,904)</u>	<u>591,411</u>	<u>-</u>	<u>4,844,005</u>
TOTAL UNRESTRICTED FUNDS	<u>13,775,372</u>	<u>12,773,866</u>	<u>(13,316,663)</u>	<u>6,500</u>	<u>322,639</u>	<u>13,561,714</u>

**ST. LUKE'S HOSPICE PLYMOUTH
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20. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
RESTRICTED FUNDS						
Other Funds	5,428	109,433	(98,733)	(6,500)	-	9,628
Project Funds	119,295	122,508	(187,288)	-	-	54,515
	<u>124,723</u>	<u>231,941</u>	<u>(286,021)</u>	<u>(6,500)</u>	<u>-</u>	<u>64,143</u>
TOTAL OF FUNDS	<u>13,900,095</u>	<u>13,005,807</u>	<u>(13,602,684)</u>	<u>-</u>	<u>322,639</u>	<u>13,625,857</u>

SUMMARY OF OTHER DESIGNATED FUNDS - PRIOR YEAR

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Income Generation Reserve	234,655	-	(78,603)	(156,052)	-	-
Building Facilities Reserve	114,465	-	(15,144)	(99,321)	-	-
Invest to Save Fund	9,559	-	(2,628)	(6,931)	-	-
Case for Change / Quality Agenda	205,086	-	(4,475)	(199,611)	-	-
Compassionate Communities Development	18,028	-	-	(18,028)	-	-
Data Project	98,200	-	(225)	(97,975)	-	-
Hospital Team Expansion	104,000	-	(39,000)	(65,000)	-	-
Integrated Care Trial	55,183	-	(31,979)	(23,204)	-	-
Organisational Development Initiatives	55,000	-	(18,536)	(36,464)	-	-
Clinical Co-Ordination Reserve	1,000,000	-	(24,702)	(975,928)	-	-
Spiritual / Psychosocial IT System Improvements Fund	30,000	-	(4,421)	(25,579)	-	-
Staff Support Scheme	150,000	-	(31,438)	(118,562)	-	-
Pay Reserve	200,000	-	(61,779)	(138,221)	-	-
	510,000	-	(496,825)	(13,175)	-	-
	<u>2,784,176</u>	<u>-</u>	<u>(589,908)</u>	<u>(1,973,421)</u>	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

20. STATEMENT OF FUNDS (CONTINUED)

As at 31/3/25 reserves have reduced by £649k in the year. As explained in the financial review, this was due to some planned spending on our designated reserves during the year. We continue to implement plans for spending of reserves to meet our charitable objectives, these are driven by our strategic aims.

Designated Funds

As part of our reserves policy we designate funds for a variety of reasons, these include; to cover risks within our operations, to invest in EOL service improvements and service expansion and also to invest in future income streams. Designated funds are held for the following purposes:

As part of our 3 year Strategic Plan, we simplified our approach to designation of reserves by designating funds to meet each of our 4 objectives of **Quality, Partnerships, People and Sustainability**. Each strategic objective has been allocated a sum of money so that we can support the work needed to implement these objectives. Throughout the 3 year Strategic Plan, departments will submit business cases to draw down on these funds, each business case will be assessed against various criteria including how it fits with St Luke's strategic aims before approval is given. During the year we have spent £292k from these Strategic Objective designated funds.

This year we have increased our Sustainability Reserve balance in order to fund predicted future deficits until our Deficit Recovery Plan is successful in enabling us to reach breakeven position – this is planned for 2027/28.

The Revenue Reserve represents the minimum free reserves required by the Hospice, taking into account the potential risks to income streams and of the potential risks to expenditure over a two-year period. Reserves in excess of the minimum level of expenditure may be designated to develop new and improved services in line with the needs and preferences of patients living with and dying from advanced incurable illness.

The Fixed Asset Fund is held at a level equivalent to the net book value of the depreciable fixed assets owned by the Hospice in order to fund future depreciation costs. The movement in the year therefore mirrors the movement in the fixed assets for the period, which covers additions, disposals and the related depreciation transactions.

The Legacy Smoothing Reserve was set up to designate funds to mitigate the specific risk around this income stream. The reason the Hospice has removed the risk around legacy income from its Annual Risk Reserve Requirement to a specific Legacy Smoothing Reserve is because a significant drop in legacy income would present a unique set of circumstances to the Hospice that could not be managed the way in which our other commercial income could i.e. if retail or fundraising income were to dip, the organisation would be able to take management action to address this i.e. close or open shops, sell different goods or organise different events. However, if legacy income were to reduce, the Charity could not influence this in the short to medium term – instead, it would have to reduce its expenditure very quickly. The Legacy Smoothing Reserve is therefore to fund potential legacy income shortfalls and give time to reduce expenditure in a planned way.

Restricted Funds

Restricted Funds Project Funds: Some NHS and other income is for specific projects and programmes. These funds are treated as restricted and the balance on these funds is held as Project Funds.

Other Funds: Other restricted funds are held at the value of any donations for restricted purposes that remain unspent at the year end.

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

21. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2025 £
Designated funds	8,717,709	-	(734,853)	1,111,028	116,456	9,210,340
General funds	4,844,005	12,707,053	(12,898,805)	(923,970)	-	3,728,283
Restricted funds	64,143	298,700	(137,437)	(187,058)	-	38,348
	<u>13,625,857</u>	<u>13,005,753</u>	<u>(13,771,095)</u>	<u>-</u>	<u>116,456</u>	<u>12,976,971</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Designated funds	10,225,740	-	(1,245,759)	(584,911)	322,639	8,717,709
General funds	3,549,632	12,773,866	(12,070,904)	591,411	-	4,844,005
Restricted funds	124,723	231,941	(286,021)	(6,500)	-	64,143
	<u>13,900,095</u>	<u>13,005,807</u>	<u>(13,602,684)</u>	<u>-</u>	<u>322,639</u>	<u>13,625,857</u>

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	1,919,153	8,580	1,927,733
Intangible fixed assets	89,745	-	89,745
Fixed asset investments	2,947,968	-	2,947,968
Investment property	1,866,000	-	1,866,000
Current assets	7,181,738	29,768	7,211,506
Creditors due within one year	(744,424)	-	(744,424)
Creditors due in more than one year	(10,564)	-	(10,564)
Provisions for liabilities and charges	(310,993)	-	(310,993)
TOTAL	<u>12,938,623</u>	<u>38,348</u>	<u>12,976,971</u>

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	2,116,900	5,500	2,122,400
Intangible fixed assets	103,999	-	103,999
Fixed asset investments	2,955,144	-	2,955,144
Investment property	1,605,000	-	1,605,000
Current assets	8,059,621	58,643	8,118,264
Creditors due within one year	(1,018,330)	-	(1,018,330)
Creditors due in more than one year	(13,408)	-	(13,408)
Provisions for liabilities and charges	(247,212)	-	(247,212)
TOTAL	13,561,714	64,143	13,625,857

23. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 2025 £	Group 2024 £
Net expenditure for the year (as per Statement of Financial Activities)	(648,886)	(274,238)
ADJUSTMENTS FOR:		
Depreciation charges	438,242	397,199
Amortisation charges	32,773	37,806
(Gains)/losses on investments in shares (net of fees)	83,219	(212,721)
Interest received	(400,336)	(376,119)
Loss/(profit) on the sale of fixed assets	5,027	(104,091)
Decrease/(increase) in stocks	20,008	(4,313)
Decrease in debtors	276,403	303,939
Increase/(decrease) in creditors	(274,121)	237,029
Increase/(decrease) in provisions	63,781	34,587
Investment property gifted	-	(750,321)
Revaluation gains on investment property	(180,684)	(92,679)
NET CASH USED IN OPERATING ACTIVITIES	(584,574)	(803,922)

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2025 £	Group 2024 £
Cash in hand	6,177,687	6,788,034

25. ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2024 £	Cash flows £	At 31 March 2025 £
Cash at bank and in hand	6,788,034	(610,347)	6,177,687
Finance leases	(16,036)	2,629	(13,407)

26. CONTINGENT ASSET

At the reporting date, the charity has entitlement to further legacies that do not meet the revenue recognition criteria as although probable, the amounts cannot be reliably measured.

27. CAPITAL COMMITMENTS

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS				
Acquisition of tangible fixed assets	-	35,923	-	35,923

28. PENSION COMMITMENTS

Group Personal Pension Scheme

The Group operates a defined contribution pension scheme, which is operated by Royal London. The assets of the scheme are held separately from those of the Group in an independently administered fund.

The Federated Flexiplan No.1

The Group also is part of The Federated Flexiplan No.1 ("the Plan"). The Plan is a defined benefit pension scheme. It is a "last man standing scheme" which means that all participating employers are jointly and severally liable for the Plan's liabilities. However, because of the non-associated multi-employer nature of the Plan, the Group does not have sufficient information available (in particular to identify its share of the underlying assets and liabilities of the Plan) to use defined benefit accounting. As a result the amount recognised in the statement of financial activities represents the Group's contributions payable to the the Plan in respect of the current accounting period.

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

28. PENSION COMMITMENTS (CONTINUED)

Members of the Plan are entitled to benefits on either a "Pensions Capital" or "Target Pension" basis. Under the Pensions Capital basis, contributions paid by and in respect of members are accumulated up to retirement and then used to secure benefits for the member. Under the Target Pension basis, members receive a defined pension at retirement based on length of service in the Plan under their Pensionable Salary at the date of leaving. The Plan is closed to new members and to future accrual of benefits.

The total cost payable to both these schemes for the year was £748,706 (2024: £774,763) and £84,180 (2024: £88,745) was payable to the schemes at the year end.

29. OPERATING LEASE COMMITMENTS

At 31 March 2025 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2025	Group 2024	Company 2025	Company 2024
	£	£	£	£
Not later than 1 year	476,415	490,184	476,415	490,184
Later than 1 year and not later than 5 years	940,157	972,307	940,157	972,307
Later than 5 years	-	4,808	-	4,808
	1,416,572	1,467,299	1,416,572	1,467,299

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	Group 2025	Group 2024	Company 2025	Company 2024
	£	£	£	£
Operating lease rentals	564,693	562,625	564,693	562,625

30. RELATED PARTY TRANSACTIONS

Other than transactions and balances within the group, there have been no related party transactions during the year, nor are there any outstanding balances owing between related parties and the Group at 31 March 2025.

The Group has taken advantage of the exemption available to not disclose transactions and balances with members of the same 100% group in accordance with Section 33.1A of FRS102.

31. CONTROLLING PARTY

The Group is controlled by the Board of Trustees.

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

32. PRINCIPAL SUBSIDIARY

The following was a subsidiary undertaking of the Company:

Name	Company number	Registered office or principal place of business	Principal activity
SLH Ventures Limited	01786925	Stamford Road, Turnchapel, Plymouth, PL9 9XA	Fundraising in support of the parent charity

Holding	Included in consolidation
100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
SLH Ventures Limited	1,074,377	(845,459)	228,918	227,375

ST LUKE'S HOSPICE PLYMOUTH

England & Wales - Charity number 280681

Accounts

Registered number: 01505753
Charity number: 280681

ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024



THURSDAY



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COMPANIES HOUSE

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

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**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2024**

Trustees	Ms F Allen Mrs L J Annear (appointed 23 May 2023) Mr S Carter Mrs N Duncan Mrs J Edge Mrs F Field Mr C Hackett (resigned 29 February 2024) Mr J P Henniker Mr J Henniker Mrs H Hocking, Treasurer Mrs E Richerby (resigned 6 February 2024) Mr M Risdon (resigned 31 October 2023) Mr D N Thomas, Chair (appointed 6 February 2024) Dr M Walker Mr W J Warrender (appointed 11 October 2023) Mr N J Green (appointed 21 May 2024)
Company registered number	01505753
Charity registered number	280681
Registered office	St Lukes Hospice, Stamford Road Turnchapel Plymouth Devon PL9 9XA
Company secretary	Susan Cannon
Chief executive officer	Stephen Statham (resigned 30 April 2023) Christina Quinn (appointed 1 May 2023, deceased 11 June 2023) George Lillie (appointed 1 August 2023).
Bankers	Santander Bridle Road Bootle L30 4GB
Solicitors	Foot Anstey Solicitors Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2024**

Structure, Governance and Management of the Charity

The board presents its Trustees' Annual Report, Directors' Report and the audited consolidated financial statements for the year ended 31 March 2024 as required by company law. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, 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 on 1 January 2019.

St Luke's Hospice Plymouth is a company limited by guarantee and not having a share capital. It was incorporated on 29 May 1980. It is a charity registered in England and Wales. The maximum liability of each member on the winding up of the company is £1.

There are currently 13 trustees of the charity. Individuals must sign a consent form on becoming a member. Every member will further the objects so far as practicable and observe any standing orders, rules and regulations issued in the Articles of Association of the charity. The trustees are appointed as members of the charity. Full responsibility for the running of the charity is vested in the trustees, who by reason of the incorporation of the charity are also directors of the company.

The board of trustees is the Governing Body. The board meets to agree business plans and annual operating plans and to monitor performance against them. It sets the ethos, aims, policies and limits of authority. It appoints and provides support and direction to its senior executives (the senior management team or SMT) and has a formally agreed governance policy that is reviewed annually. The services delivered by St Luke's Hospice Plymouth are registered with the Care Quality Commission (CQC). In pursuit of its charitable objectives, St Luke's Hospice Plymouth works in partnership with other local hospices and Hospice UK which is the national charity for hospice and end-of-life care.

Chair: Mr David Nicholas Thomas CPFA

Treasurer: Mrs Helen Hocking CPFA

Senior Executives:
Chief Executive

Mr George Lillie RGN RMN BSc. MSc (Deputy CEO until 31 July 2024; appointed CEO 1 August 2024)
Mrs Christina Quinn RGN, BA (Hons) PGCert, PG Dip Ed, PG Dip (appointed 1 May 2023, died 11 June 2023)
Mr Stephen Statham FCIPD MA (resigned 30 April 2023)

Director of Clinical Services

Mrs Patricia Davis RN1, Registered Health Visitor, MSc Primary Care

Deputy CEO & Director of Finance & Resources
Commercial Director
Director of People Services

Mrs Susan Cannon CPFA
Mr Michael Dukes
Ms Adrienne Murphy FCIPD, MA Strategic Human Resource Management

**ST. LUKE'S HOSPICE PLYMOUTH
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

Trustees

The following trustees, who are also Directors, served during the year:

Ms F Allen (c,g,h)
Mrs L Annear (e,i) (appointed 23 May 2023)
Mr S Carter (d,e)
Mrs N Duncan (g,h)
Mrs J Edge (a,c,f)
Mrs F Field (a,f,g,h)
Mr C Hackett (b,i) (resigned 29 February 2024)
Mr J Henniker (a,e,f)
Mr J P Henniker (b,g,h)
Mrs H Hocking (d,e,f,i)
Mrs E Richerby (d) (resigned 6 February 2024)
Mr M Risdon (b,d,f,i) (resigned 31 October 2023)
Mr D N Thomas (b,i) (appointed 6 February 2024)
Dr M Walker (b,c,d)
Mr W Warrender (a) (appointed 11 October 2023)

The trustees of St Luke's Hospice Plymouth serve on a number of board committees as follows:

- a. BEESafe Health & Safety Committee
- b. Chairs' Governance Committee
- c. Clinical Review Group
- d. Finance and Audit Committee
- e. Income Generation Group
- f. Organisational Risk and Internal Audit Committee
- g. People and Transformation Committee
- h. Reward and Remuneration Committee

Three trustees are also directors of the wholly owned trading subsidiary:

- i. SLH Ventures Ltd

In addition, a number of trustees attend operational groups.

Recruitment and induction of trustees

Periodically the Governance Committee may decide it appropriate to conduct a skills audit of the current trustees before we carry out any formal recruitment process. The objective of a skills audit is to analyse the existing trustees' skills, knowledge, and experience to identify gaps within the board.

The organisation will use this information in several ways:

- To pool the talents of the trustees to deal with specific issues or when forming committees or project groups to ensure we use trustees' qualities and attributes effectively
- To identify gaps in knowledge and skills in order to consider any training or development interventions
- To target the recruitment of further trustees to the board based on the skills or knowledge gaps
- To monitor the inclusivity and diversity of the board and, if appropriate, target recruitment to the wider community

The Chair's Governance Committee will look at a broad range of selection methods, such as general advertising, linking into volunteering websites, or targeted recruitment for specific skills such as Treasurer etc, or under-represented groups.

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

In all cases an information pack is sent out with a covering letter from the Chair and may include the Articles of Association, the latest financial statements, the guide to being a trustee, a trustee role profile and background information on St Luke's.

At this stage we would also gain confirmation that the applicant is not legally barred from being a charity trustee. Interested parties will be able to visit the hospice and to meet the SMT.

The pack will also include an application form. Suitable applicants will be invited for an interview with at least two trustees from the Chair's Governance Committee. Other trustees may stand in if there are conflicts of interest or trustees are unavailable. Following the interview, the chair will either:

- invite them to attend the next trustee meeting, and possibly come early to meet other trustees
- thank them for their interest and offer them alternative volunteering opportunities, or request permission to hold their details on file pending an appropriate vacancy

Details of the potential trustee will be circulated to the board of trustees in advance of the board of trustees meeting and any trustees wishing to meet them may do so at or before the board of trustees meeting. Any feedback or concerns will be notified to the chair.

The chair will normally make the invitation to membership of the board of trustees after confirmation that the potential trustee is still interested and approval by the board of trustees following attendance. References will be obtained by the Chief Executive's office and a formal DBS (Disclosure and Barring Service) check will be carried out. Once appointed, a member is a trustee under the Charities Act and a director under the Companies Act.

All new trustees will be provided with an induction programme appropriate for their role and interests, and will be assigned a "buddy" from the existing trustee board and also a member of the SMT.

All trustees are required to complete St Luke's mandatory online training modules within three months of joining the organisation.

Objectives and activities of the charity

St Luke's Hospice Plymouth is a registered charity, a company limited by guarantee, and is registered with the Care Quality Commission.

It is governed by a board of trustees comprising up to 14 trustees/directors who normally meet six times a year and who also participate in several sub committees and operational management groups. Day to day management is vested in the Chief Executive, who reports directly to the chair of trustees.

The principal object of the charity, as defined in the Articles of Association, is to relieve sickness amongst people suffering from terminal illness, in the city of Plymouth and surrounding districts. St Luke's core service is the provision of specialist palliative care for the population of Plymouth, South West Devon and South East Cornwall - a population in excess of 450,000. We work in partnership with others, delivering the education and support required to ensure the provision of excellent end-of-life care.

The Charities Act 2011, Section 4 requires charities to have due regard to public benefit. The trustees have reviewed the aims, goals, services and objectives of the charity in the light of this requirement and can confirm that St Luke's Hospice Plymouth serves for the public benefit. This Trustees' Report continues to evidence how the charity strives to meet need.

Our Vision

"A community where no person has to die alone, in pain or in distress." Our vision is a far-reaching aim towards which everyone involved in end-of-life care should strive. St Luke's vision provides an underlying service of purpose for staff, volunteers and stakeholders.

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

Our Mission

"We work within our community in partnership with others to achieve dignity, comfort and choice for people affected by a life-limiting illness, by delivering and influencing exceptional care." Our mission sets out what St Luke's role will be in helping to enable our vision to be realised. This mission gives greater prominence to not just the direct delivery of end-of-life care, but also exerting even more influence upon others involved in end-of-life care by bringing our experience and expertise to the work of health and social care professionals.

Our Values

Professionalism, Respect, Compassion, Integrity. At St Luke's we are proud of, and passionate about our history and the care we provide. This has been achieved by the hard work, dedication and commitment of all the staff and volunteers who have made St Luke's what it is today. Our values are at the core of all our services. They inspire us and drive us, to ensure we provide the best possible care to as many local people as we can reach, living and dying with a terminal illness. St Luke's Hospice Plymouth is a registered charity.

Annual Report

Reflecting on the past year, we have continued to deal with the impact of an economy slow to recover from cost of living increases. Our local health and social care system remains in a state of crisis, particularly in relation to unplanned and emergency care. This is reflected in our local acute trust having to declare several critical incidents during the year. The Devon Integrated Care Board/System (ICB/ICS) remains in the NHS England recovery support programme due its worsening financial position, and it saw the appointment of a new Chief Executive in February 2024. These factors have not only impacted the patients and families we serve but have also had a direct effect on St Luke's staff and volunteers.

Despite these challenges, our clinical services have continued to respond to the demands placed on them with St Luke's supporting an increasing number of people through the year. As part of our commitment to collaborative working, we were active contributors to a number of winter initiatives aimed at reducing the number of end-of-life (EOL) patients being admitted to the Emergency Department (ED) of our local acute trust. We have continued to build on our partnerships with commissioners, NHS provider organisations and colleagues from hospices within Devon and the wider South West region so we can remain best placed to ensure EOL care remains high on the agenda within a challenged health and social care system.

During the year, our well-established income generating streams have continued to perform well despite the significant downturn in the economy. New initiatives aimed at providing alternative sources of income to help fill our growing funding gap, trading under our b.kinda brand, have been challenging. Our b.kinda clothing mystery box scheme, launched in June 2022, gained a strong following, but was proven to be unviable and ceased trading at the end of March 2024. Our first b.kinda coffee shop was opened in October 2023, and is expected to make a small profit by the end of March 2025. Scrutiny of all income-generating streams will remain in place and corrective actions taken as needed.

Our biggest asset as an organisation is our people. This year we have had to pay particular attention to this as we have seen the real-life impact on our staff and their families of the sustained increase in the cost of living. Our people services team have worked tirelessly to ensure we have responded with ongoing practical tools and support to better equip our staff to cope with these pressures.

During the year we saw the retirement of long-standing Chief Executive Steve Statham who left us at the beginning of May 2023. Following a robust recruitment process, involving the services of the national recruitment agency Berwick Partners, Christina Quinn was appointed and took up post in early May 2023. Tragically, on 11 June 2023, she was killed in an accident while on holiday abroad.

The customary procedure at that point would have been to make a short-term acting or interim appointment while immediately embarking on the rigorous and lengthy process of recruiting a permanent CEO. This not only felt inappropriate following the sudden loss of Christina, but there were also other important considerations.

**ST. LUKE'S HOSPICE PLYMOUTH
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

It was vital not only to ensure that St Luke's continued providing excellent care for patients and their loved ones, but also to move forward strategically, particularly in our mission to identify the terminally ill people and families our services don't reach at present.

With that continuity and progression in mind, George Lillie, our Deputy Chief Executive and Director of Clinical Services, was invited to step into the position of CEO for an extended period until at least April 2025 and he accepted the challenge. The board and senior management team expressed their confidence in George as the right person to steer St Luke's sensitively, effectively and proactively through the next two financial years.

In November 2023 the board of trustees approved the process for the recruitment of the new chair of trustees following the announcement that Charles Hackett was stepping down in February 2024. The trustees resolved that the new chair should be able to provide an appropriate challenge to SMT over decision making. They acknowledged that while St Luke's is not an NHS trust it is regulated by the CQC and is therefore fully expected to maintain the same high standards.

It was unanimously agreed that the values, behaviours, leadership and expertise of the chair are crucial in delivering this goal.

An inclusive and transparent recruitment process, supported by national and local advertisement campaigns, and social media targeted at harder to reach communities, was launched to attract well-respected candidates with a high level of experience in commerce or the public sector who would be able to represent the people of Plymouth and the surrounding areas.

Following a rigorous selection process, which included stakeholder feedback, I was delighted to be appointed and took up the post of chair on 1 February 2024.

I would like to thank Charles Hackett for his time as chair; his support for St Luke's over the years has been exceptional. We hope he stays in touch and wish him all the very best for the future.

As a charity we remain committed to providing our patients with quality end-of-life care, delivered with professionalism and compassion, so that we are part of a community where no one has to die alone, in pain or in distress, and we have had another successful 12 months. In the year ending 31 March 2024, the charity was able to see 2,236 new patient referrals, resulting in the delivery of 4,349 individual episodes of care. This compares to 4,218 episodes of care in the previous year - an increase of 9%.

The total cost of our clinical services provision was £7,690,905 for the year, compared to £6,827,783 in the previous year. This increase of 13% was mainly due to the increase in staffing costs, as well as the complexity of patients seen and issues within the wider system which require significant additional time and resources to navigate.

Here are some highlights from the past year:

In line with our plan to ensure we offer equitable access to our services across our catchment area, the board supported the extension of our existing end-of-life urgent care service to parts of South East Cornwall on a trial basis. This was well received, and we hope that commissioners will fund it beyond its trial period.

Using technology to support our work and to free up staff time is a priority and we have continued to implement new IT solutions. We have a new electronic pharmacy dispensing and monitoring system in our inpatient unit, increasing patient safety and saving money by introducing a fully automated electronic drug stock control system. An e-rostering solution is being rolled out and will be fully operational by the end of summer 2024. It will allow better understanding of staffing levels across our teams so we can maximise the use of our internal resources to address any gaps and reduce the use of agency staff.

Investment in our people across the organisation continues with the Valuing Each Other (VEO) training programme. VEO was developed with the support of the South West Leadership Academy to provide staff with an evidence-based approach to increase understanding of their own individual style in how they interact

**ST. LUKE'S HOSPICE PLYMOUTH
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

with others and provide them with a toolkit to deal with conflict in a positive and constructive way. The training has proved very popular with staff and has received good evaluation.

Following an external review around equality, diversity and inclusion (EDI), we have employed an inclusion co-ordinator, on a fixed term basis, to drive forward our agenda to become a truly inclusive employer.

Our major participant fundraising events continue to perform well with all increasing their participation in 2023/24. In the 10th year of Men's Day Out, we saw 2,300 men take to the streets of Plymouth – our highest number to date.

The UK's economic climate remained depressed and this put pressure on our discretionary spending. However, as anticipated, tight household incomes meant a higher level of trade for our charity shops with strong income growth year on year.

Securing fundraising and lottery income has been highly competitive as all charities need increased financial support. It is testament to our hard-working, innovative teams, and our supporters' trust in St Luke's, that both areas delivered increased levels of surplus this year.

Our retail strategy to concentrate on larger premises and target areas where we are not currently represented continued in 2023 with the first full year of trading in New George Street, Plymouth and new shops in Kingsbridge and North Prospect. New premises in Ivybridge with three times the space will begin trading in May 2024. The successful redevelopment and remodelling of the Transit Way shop delivered a sales increase of over 30% on the previous year and sales at our Launceston shop, relocated from the town centre to larger premises on an edge of town retail park in 2019, continue to grow annually, and it's now the store with our second largest turnover.

We took the decision not to renew our lease on trial premises at Crownhill Garden Centre. We would certainly consider garden centres as a location in the future as they are a good match for footfall and customer type, but this specific location did not meet the needs of our business.

Increased trading volumes have been supported by continued high levels of donations from our supporters and, although there has been a drop in the overall quality, there is sufficient good stock to support further growth. Additionally, Gift Aid income has increased year on year.

Income from the sale of donated clothing that does not meet the standards for sale in shops and is sold on to recycling agents has grown year on year, however it is anticipated that there will be a significant downward movement on the wholesale price during 2024/25.

Community fundraising was always going to be difficult for charities in 2023/24 as household income was stretched and people more reluctant to push for sponsorship from family and friends. Additional team resource was focused on supporting the effective use of Just Giving pages to help gain the best levels of sponsorship. We were also successful in building our donor relationships with philanthropic supporters and were delighted to see income increase by 40% on the previous year in this area.

Our major events continued to focus on Men's Day Out, Midnight Walk and Tour de Moor, with all increasing their participation on 2022/23. The quality of delivery of these large-scale operations and the high satisfaction levels from the participants post-event is down to the skill and commitment of the fundraising team and the outstanding support from our amazing volunteers.

We are grateful for the financial and in-kind support that we receive from our major events sponsors: Jem Scaffolding Ltd, Michael Spiers and Print Copy Scan helping us to continue our end-of-life care in the local community.

Open Gardens income grew again last year with more venues, high numbers of visitors and a higher average return per venue. The generosity of garden owners who put so much effort into preparing their gardens is greatly appreciated.

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Our Sponsor a Nurse campaign generated 189 new supporters, a growth of 151 regular givers, with only 48 deleting in the financial year. However, the Spring In Memory mailing and Light up a Life performed below expectations. We continue to assess all the fundraising opportunities that we deliver and if any do not meet our standard of return on investment they are improved or removed.

The new customer relationship management system (CRM) that was introduced in 2022 is now embedded in the fundraising operation and has improved our ability to deliver effective, targeted campaigns, increase the quality of donor management and speed up our response times.

Lottery surplus has shown good growth through reduced costs rather than an increasing number of players year on year. The total new chances recruited was 1,777 but this is offset by 1,916 chances deleted through fewer numbers being played or play withdrawn completely. Costs have been reduced because we have not been able to recruit the desired quantity or quality of canvassers a problem across the South West.

In addition to the significant financial support the fundraising teams deliver, they are instrumental in delivering many one-off requests at short notice to support patients and their families, including Christmas hampers and a children's playhouse at Turnchapel. This year two seats for patients and family members for every home match of the season at Plymouth Argyle were gifted by PLG Property Consultants.

As costs continue to rise faster than the growth of our core income streams we initiated trials into new ventures to bring in additional income for the future. These ventures carry a higher element of risk than our traditional trading models. b.kinda clothing was launched in June 2022, selling mystery boxes of ladies' clothing supplied from excess donated stock that had not sold through shops. Although 10,000 boxes were sold over the period to March 2024, the costs of delivering the operation and the irregular supply of sizes to meet orders resulted in the decision to cease trading.

In October 2023 the first b.kinda coffee shop opened in Plympton and has been well received by the local population. Business trading will be assessed throughout the next financial year with a view to expanding to further units if successful.

Strategic Report

Financial review

The financial year 2023/24 ended with a deficit of £274,238, this is a favourable position to the budgeted deficit of £775,466 that was set. Due to the volatility of our income streams, there were many fluctuations during the year with Fundraising seeing a very high level of donations, Bequests being stronger than anticipated with a flurry early in the year of some strong bequest completions, as well as the sale of the Brooklands site and strong capital growth in our investment portfolio. Planned spending from designated reserves has meant that the year ended with a reduction in our overall reserves balance for the first time since 2011.

Funding for the hospice comes from a number of sources but is mainly generated by our internal income generation teams and legacies. Our total income was £13,005,807, with basic NHS funding provided at £3.2m (25%) in the year, the charity itself generated £3.9m (30%) from donations and legacies and £5.2m (40%) through trading activities, and an additional £0.4m (3%) came from investment returns. The remaining 2% is from other activities including specific clinical or education projects.

Of the £7.7m we spent on clinical services, £3.2m (42%) was funded through the NHS, and the remainder was generated through the generosity of the public, for which we are immensely grateful.

Retail's contribution to the charity after direct costs, was an impressive £1.4m with steady results achieved throughout the year. Legacy income was strong at £2.1m, as were one-off donations. Our fundraising and lottery teams also had a successful year with a combined contribution after costs of more than £1.6m.

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Our strategy of opening larger retail shops continues to pay off. In the year we opened new larger premises in North Prospect and a new large Ivybridge shop was being refitted, ready to open in May 2024.

Our flagship events - Midnight Walk, Tour de Moor and Men's Day Out - were all very well attended and enjoyed. Despite the events being successful there appears to be a common theme resulting from the current cost of living pressures, with participants reluctant to ask for sponsorship in the way we have seen in previous years.

Lottery has remained steady, contributing £0.5m this year to the charity, however increased efforts are required to maintain and grow player numbers.

The organisation made an overall loss of £274,238 (2023 – surplus of £134,509), which is after including gains on investments of £322,639 (2023 – loss £89,672). The year end position was achieved after charging depreciation of £397,199 (2023 - £356,540) which was funded by designated reserves.

Trading activities have seen an increase on last year's levels of approximately 9%. Overall, income from trading activities increased from £4,820,386 in 2022/23 to £5,246,663 in 2023/24. This level of income has reached pre pandemic levels for the first time, however we have seen a substantial increase in our cost base due to the inflationary pressures during the post pandemic period.

Donations and legacies achieved £3,882,263 in the year compared to the previous year's £3,607,100. This is a strong income source for the hospice but one that is known to be very volatile and requiring careful monitoring. In 2023/24 the hospice recognised total bequests of £2,109,536 (2023 - £1,798,769) in the year, against a budget of £1,550,000. For pecuniary legacies, the recognition point is normally when notification of the grant of probate is received, and residuary legacies are normally recognised when draft estate accounts are available or other suitable information which allows the legacy to be measured with reasonable accuracy. Legacy income of £546,091 has been recognised as income in the accounts which will be received after the year end.

The cost of raising funds, excluding investment costs, rose from £4,836,902 to £5,911,779 an increase of 22% in the year. This was due in the main to increases in the National Living Wage and the introduction of additional shops.

Many of the charity's shops are leased and the related contracts require certain levels of repairs and decoration to be undertaken prior to the premises being returned at the end of the lease. We set aside a provision to meet existing liabilities in relation to these leases. Continued review of our retail operation results in annual fluctuations to this provision which now stands at £247,212 (2023: £212,625). The amounts have been estimated based on the known works that would be required if premises were returned in present condition, and values have been calculated by our facilities team, along with guidance from a firm of quantity surveyors. Further details are shown in Note 19.

Following the deficit of £274,238 in the year, total reserves have reduced to £13,625,857 (2023 - £13,900,095). This level of reserves places the hospice in a good position to tackle the significant underlying deficits we face over the medium term. We expect deficits of £571,000 in 2024/25 and growing deficits over the following years because of the continuing rise in employment costs particularly as we strive to recruit and retain the necessary staff resources to deliver our services to the high standards, we are renowned for.

We aim to bring these anticipated deficits back to a break-even position over the next five years through the implementation of our Deficit Recovery Plan. A number of actions will address the growing gap between operating costs and income levels through the expansion of our existing successful income generation ventures and by driving further efficiencies. If these positive actions are not successful in enabling us to match our growing costs to our income, then additional actions around clinical service delivery will need to be explored. The hospice's strategic ambition of sustainability may require us to reduce services over the next five years to continue to deliver our excellent standards of care with the financial resources we have.

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Designated Reserves

We continue to designate funds for service-based and invest-to-save projects which will be used to broaden our reach to a wider population and to invest in the continuous improvement of our services. In line with our strategy, we will invest in technology to continually improve the care we provide. This year we have consolidated our designated reserves across our four new strategic aims of:

- Quality
- Partnerships
- People
- Sustainability

Financial sustainability is one of our key strategic objectives; and we are pleased to report that we have reached the final part of our post-Covid transformation project to ensure we work as efficiently as we can, taking advantage of some of the agile working principles that were forced on us as part of our response to the pandemic. The most impactful of these is the reduction of our real estate from three major premises to just the one at Turnchapel. We now have all non-shop-based staff working successfully from this site, embracing the "One Team" approach. Following the sale of our Brooklands site, all staff now work in the newly configured and refurbished office suite at Turnchapel.

We continue to designate reserves to smooth the impact of our annual bequest income, which can be difficult to predict with any certainty. We hold a building reserve fund to help ease the ongoing liabilities that come with owning some of our operational assets. We are on year two of our five-year capital plan which will see large items of expenditure, such as replacement of our generator, upgrade to our lifts, and investment in the gardens at Turnchapel. This year we have invested in resurfacing and relining our car park, new patient entertainment consoles, and a new finance system, as well as significant investment to drive our income generation ventures and to improve our premises.

We hold a designated fund to initiate the expansion of our hospital team in order to expand our reach and to educate staff at University Hospital Plymouth (UHP) in end-of-life care. We have also set aside funds for an Integrated Care Trial to improve the discharge of patients across the wider system through the recruitment of an additional Band 7 nurse for a two-year period, as well as designating funding to replace some of our IT systems, to enable continued improvement in our processes and information.

Following movements in the year, our general funds have increased from £3,549,632, to £4,844,005, an increase of £1,294,373.

Our unrestricted funds, which are made up of free and designated reserves, are £13,561,714 this is a reduction of £213,658 from the previous year's balance of 13,775,732. This includes the investment revaluation reserve; although investments are held on a long-term basis, the portfolio is considered to be readily convertible and as such is included when calculating free reserves. Designated reserves, if uncommitted, can be undesignated should circumstances change and hence can be deemed as usable. As at 31 March 2024, free and uncommitted reserves represent 10 months of expenditure based on the organisation's total budgeted running costs for next year. This is in line with the previous year.

The charity's reserve policy reflects a risk-based approach. Pre-Covid, free reserves of at least £2.6m were required. This increased temporarily to £4.5m because of the initial and severe uncertainties the pandemic had on St Luke's finances. It has now reduced to a £2.9m minimum risk requirement as we address the perceived risks within the hospice's finances. We are pleased to note that we are in excess of the minimum requirement.

Overall, we are reassured by the financial performance in the year, and this reflects the determination of both the board and the SMT to ensure that the organisation remains financially sustainable in the long term. It must be acknowledged that the hard work and dedication of all our staff and volunteers has been the overriding reason for the successes of the past year.

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Performance of our services

During the year ended 31 March 2024, we received 2,236 new patient referrals, the highest volume in five years, resulting in the delivery of 4,349 individual episodes of care. This compares with 3,960 episodes of care in the previous year – an increase of more than 9%.

Whilst our local health and social care system in Devon remains challenged, St Luke's clinical services have continued to actively engage with partners to improve end-of-life services for our patients. This is evident from the increase in referrals to our services.

We have continued to work closely with our fellow Devon hospices to enable the implantation of a Devon-wide Out of Hours (OoH) medical 111 service which is now provided by the national Practice Plus Group. We have put new 'anticipatory care' protocols in place to support our most unstable patients to help minimise the need for calls during evenings, weekends and bank holidays, which has been well received by the new provider.

An ongoing challenge remains the number of end-of-life patients admitted to hospital via the Emergency Department (ED) at Derriford Hospital. Our hospital-based team work closely with the University Hospitals Plymouth leadership to support alternative options to ED attendance, as well as participating in rapid discharge planning for patients able to return home. The new role of emergency department end-of-life clinical nurse specialist along with additional bed capacity created by Livewell at Mount Gould Hospital, demonstrates the collaborative approach that UHP, Livewell and St Luke's have taken to best meet patient need.

End-of-life

St Luke's community-based urgent care service has continued to develop and expand. Devon commissioners have funded a fifth care run for the Western locality area which continues to operate 8am to 10pm, seven days a week. The service also offers a crisis nurse response for patients in their last days or hours of life offering advice on medication adjustments to maintain patient comfort. This service also has an important specialist role in care at the point of death and the immediate care of the deceased which is a real comfort to families.

St Luke's clinical leadership took part of the '100-day NHS England' challenge for Winter 2023 resulting in the charity funding a four-month trial of our urgent care service in South East Cornwall. The trial was so successful that St Luke's has continued to fund the service while Cornwall commissioners draw up a specification to contract and fund the continuation of this valuable service.

Our much loved 'Dr Jeff' who had been St Luke's consultant in palliative medicine for more than 20 years retired in April 2023. While this left big shoes to fill for our new incoming medical consultant, she has firmly established herself as a collaborative and knowledgeable leader, working alongside IPU colleagues.

The nursing leadership on IPU also welcomed a new head of department in January 2024, in her first few months in post she has overseen the introduction of an electronic pharmacy system onto the unit, and very shortly will be introducing an electronic rostering system for all clinical staff.

Quality, Patient Experience and Community Development

Patient experience

Ensuring that the voice and experience of patients and families remains central we have used feedback as the foundation for quality improvement. Teams have focused on enhancing discharge planning from our inpatient unit (IPU), optimising patient flow through the distinct parts of St Luke's services and strengthening cross-team communication and relationships to support continuity of care.

The IPU and community teams have implemented the Purpose-T pressure ulcer risk assessment tool in line with system partners and national guidance. In collaboration with the University of Plymouth we participated

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in and supported recruitment into a research project to understand what the palliative and end-of-life research priorities are from the perspective of patients, carers, and professionals.

Quality

In line with the Patient Safety Incident Response Framework (PSIRF), a plan has been approved outlining the approach St Luke's will take to learning from untoward patient safety events. The plan includes how we will respond to incidents and pro-actively design safety into our systems and processes through adoption of a systems-thinking approach. This is underpinned by training and nurturing a 'no blame' culture, which aligns with the wider organisational piece being led by the organisational development team to embed the principles of a "Just and Learning culture". The clinical incident management system on Vantage is now fully embedded and well used by staff as evidenced by the increase in reported incidents, near misses and concerns but the continuation of no- and low-harm outcomes.

To ensure a responsive quality service for patients, families and professionals and increase support to busy clinical colleagues, so optimising their clinical time, the clinical admin team have piloted the reintroduction of weekend cover. The success of the pilot will see a permanent cross-site weekend admin service from June 2024. This service ensures that patients and families will get the same high level of care, irrespective of the day of the week.

Our quality team continues to focus on more efficient production of meaningful clinical business intelligence. Alongside commissioner and operational reports, information is used to monitor compliance with key patient safety metrics; contribute to workforce planning; strengthen patient safety, and identify potential gaps in service provision. Interactive dashboards have been developed for overarching and team level data. The aspiration for 2024/25 is to make the dashboards close to real time to better support daily operational management.

Freedom to speak up guardian

St Luke's first Freedom to Speak Up Guardian was appointed by a panel of St Luke's peers in April 2023. In her first 12 months she has supported nine colleagues to speak up, be heard and resolve their concerns. Our Freedom to Speak Up Guardian is a member of the Southwest Guardians' and National Hospice Guardians' network.

Community development

Our community development team has continued to build links with a wide range of communities in our catchment area and supported a number of neighbourhoods in setting up more locally-led Compassionate Cafes, including in Tavistock and Gunnislake.

They have supported a roving Dying Matters exhibition across local libraries to encourage all to think and talk about death, dying and bereavement. Working closely with Plymouth City Community Builders the team have promoted "death literacy" at many community events, including collaborative working with Marie Curie in Estover. Building death literacy is a foundation of the successful Compassionate Schools programme which continues to grow, with increasing uptake and interest from primary schools. Through the programme, links are also being established to enable pupils to engage in creative arts activities on the IPU later in 2024. In order to increase visibility, build trust and connection with all parts of the local community, the team have participated in Plymouth Pride 2023, the Respect International Kite Flying event, the Plymouth Interfaith Community celebration and attended the inaugural meeting of the Veteran Aware network of health and veteran charities across Plymouth.

The total cost of our clinical services provision was £7,690,905. The following table gives a summary of our clinical activity during the year.

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Our clinical activities						
	2024	2023	2022	2021	2020	2019
In Patient Care						
Patients - See Note 1 below	301	271	256	216	245	202
Admissions	267	284	282	216	260	212
Deaths	210	229	214	149	191	150
Discharges	48	47	70	67	70	59
Occupied bed days	3313	3307	3375	3021	3434	3707
% Occupied	75.00%	76.00%	77.05%	69.00%	78.10%	84.63%
Average length of patient stay (days)	12	12	12	10	13.6	17.5
Community Services (Including PFSS, AHP & IC patient support)	2024	2023	2022	2021	2020	2019
Patients - See Note 1 below	1826	1597	1670	1578	1603	1415
Patient/Carer visits	5073	4396	4913	4377	5434	6254
Patient/carer phone calls (Duty Nurse commenced 02/11/2016)	10167	16482	14833	21646	14714	12740
Professional liaisons	4981	6316	6673	6460	9896	11051
EoL in the community, including Care package	2024	2023	2022	2021	2020	2019
Patients - See Note 1 below	758	736	727	658	700	486
Accepted referrals	877	906	853	870	844	611
End of Episode Preferred place achieved						
Patient visits (by professional)	19190	16870	12487	10494	11862	4917
Hospital Services and Medical Outpatients	2024	2023	2022	2021	2020	2019
Hospital SPC service						
Patients referred - See Note 1 below	1399	1297	1529	1317	1182	1018
Support contacts	5452	4411	4612	4400	3498	4405
Medical Outpatients						
Patients	65	59	36	36	40	52
Attendances	67	64	83	59	86	140
Other Clinical support	2024	2023	2022	2021	2020	2019
Bereavement Support Contacts (including telephone calls)	2284	1634	2495	1904	1131	1558
Education	2024	2023	2022	2021	2020	2019
No of Internal Individuals trained in the year	1196	1296	1045	313	2416	2188
No of external parties/individuals trained in the year	450	430	500	593	1866	1910
No of training sessions on National/Regional projects, local forums & conferences etc	n/a	n/a	188	155	265	254

Note 1 - In rare cases there may be a slight chance of double counting

Risks

The recruitment and retention of key staff remains challenging. We are in the process of mapping the entire journey from vacancy identification to the offer of employment so we can streamline and improve the process for both candidate and recruiting manager. We continue to explore all avenues to widen our pool for recruitment.

We are proactively implementing initiatives to support the health and wellbeing of our staff, and that is positively impacting on retention. We are also undertaking an external review of pay and benefits and we will use its findings to inform our desire to remain an Employer of Choice.

Our predictions for expenditure, fuelled by high pay expectations and cost of living increases, are known to be exceeding our income predictions, hence the budget gaps we are currently dealing with and the forecast deficit of more than £1million that we expect to face in 12 months' time. We are addressing these through our financial sustainability plan which will consider options for additional income generation opportunities, as well as action plans to reduce costs across the whole organisation, starting with our non-clinical areas.

Our shops have performed exceptionally well since the end of the pandemic in a UK economy that has been slow to recover, which is in line with other charity's experiences. However, the medium- to long-term impact on the high street and fundraising events remain unknown, so we continue to be cautious in our future years' budget assumptions. We know we are facing a period of unpredictability and uncertainty in the economy, as well as facing competition in general fundraising activities and public support for other charities.

**TRUSTEES' REPORT (CONTINUED)
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We acknowledge that income generation is getting increasingly challenging, and we are putting measures in place to manage this risk, and will continue to explore diverse income streams.

As an organisation we are becoming more dependent IT systems and it is critical that we maintain them at optimal levels to ensure our infrastructure moves to industry level standards. We are reducing our reliance on in-house servers and moving to cloud-based solutions. Cyber-attacks are on the increase, and it is important we take actions to mitigate that risk. We are engaged in a programme of works that will see us obtain the highest accredited industry level of security known as Cyber Essentials Plus.

Working in a challenged health and care system locally, from both a provision and a financial perspective, is impacting our ongoing ability to provide current levels of care. It is imperative that our model of care is able to adapt and change to the needs of the local population and support change in the wider system. Although it would be difficult for organisations to deliver end-of-life care when it is not their speciality, we must remember to stress the added value of our charitable funding. Our reputation is high; we have built up the trust and respect of government, local donors and agencies over a considerable period of time. The challenge will always be to protect our reputation and brand.

Commissioners are increasingly looking for efficiencies and value for money in the services we deliver. It is essential we maintain appropriate management information to demonstrate the scope of our reach, and further develop patient outcome measures to show the difference we are making through our intervention.

In Devon we have an ageing population. Projections suggest the number of residents aged 65 to 84 years will grow by 17% by 2025. The number of adults aged over 85 years is expected to grow by as much as 29%. Meeting these increased needs without a significant increase in funding will be challenging. We know we will be unable to cope with this demand unless we consider appropriate partnerships and collaboration with existing providers. This brings many challenges around having appropriate agreements, while protecting our own brand and image, and our ability to generate income.

The board's Organisational Risk and Audit Committee reviews risk and internal controls, approves the risk-based internal audit plan and receives regular internal audit reports, progress reports and corporate risk updates. Senior managers review key strategic and operational risks on a regular basis. They consider progress on mitigating actions, new and emerging risks and opportunities. Board sub committees and management groups help identify, evaluate, and manage risks relating to clinical services, fundraising, investments, business continuity, health and safety, remuneration, major infrastructure, IT projects and operational needs.

Our strategic aims

We embrace our responsibility to meet the specialist palliative care needs of our patients and their families through excellent, personalised patient-centred care.

We have developed significant partnerships with the NHS, social care, the voluntary sector and other healthcare providers in order to deliver a seamless service for our patients.

We are aware of the challenges that lie ahead with the significant demographic changes within our local population, along with developments within the health and social care sector, including the following:

- a growing elderly population with complex care needs
- increased levels of unmet need for end-of-life care
- the number of adults aged over 85 years expected to grow by as much as 29% by 2025
- the gap between people's preferred place of death and their actual place of death
- the rise in dementia-related deaths
- significant constraints on the level of state resources for health and social care in the future
- shortage of skilled staff and many clinical staff due to retire in the next 10 to 15 years
- lack of coordinated care and difficulties in the sharing of information
- increased regulation and scrutiny, eg, the new CQC inspection regime.

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Our 2019-24 strategy underpinned our desire to meet the increased demand and overcome the challenges we face across the communities we serve, and place patients, their families, and communities at the heart of our care.

We will continue to become more patient and person-centred, knowing that for patients and families to live and, eventually, die well, they need to be resilient and have a strong sense of coping. This means putting our patients and families at the centre of decisions, recognising the importance of "what matters to someone" and not simply "what's the matter with someone".

We are proud to be embedded within our local communities and recognise that we will be unable to deliver our ambitions alone, so we must work in partnership with others to further our vision. We will do this by sharing best practice, educating other healthcare professionals, and joining with other organisations to deliver more comprehensive and integrated services for the benefit of all our patients and their families.

Right across St Luke's, we are fortunate to have staff and volunteers who are committed, passionate, professional and focused on giving an excellent service to all our users. We know we need to continue developing our workforce to achieve the flexibility and responsiveness required to meet the changing needs and preferences of those we care for and support. We will also continue to make the most of our dedicated volunteers across all areas, ensuring they are trained and properly recognised in the roles they carry out.

Our strategic goals 2019-24

In our strategic planning, the challenge has been to find the right balance between continually developing our services and finding ways to respond to the increasing demand in a climate of severe funding pressures.

Our 2019-24 strategic objectives have helped us consolidate and move towards our mission and vision. These have been directed by three broad, but far-reaching strategic priorities:

Care for you and those who care for you

We will provide excellent, safe personalised end-of-life care that puts patients and families at the centre of decisions.

We will work in collaboration and develop partnerships to extend our influence and improve understanding and support for everyone in our community affected by a life-limiting illness.

We will use digital technology to support the delivery of care and advice to patients, and the health and social care professionals looking after them.

We will ensure equity of service so that patients and families can access our services equally, regardless of condition, background, gender or religion.

To be an employer of choice

We will recruit and develop our clinical workforce to ensure they have the right skills, experience and attributes required for delivering care in a rapidly changing healthcare environment.

We will continually invest in the development and engagement of our staff and volunteers in order to deliver an excellent service to all our users.

We will continue to develop a values-based culture that leads to full and positive employee engagement, enabling St Luke's to provide an excellent service to all users.

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To develop the financial and operational resilience of the organisation

We will continue to be financially viable by maintaining growth in existing income generation activities and investing in innovative and sustainable sources of new income.

We will continue to drive cost efficiency and ensure best use of our financial resources.

Key management personnel

The key management personnel identified by the board make up the Senior Management Team (SMT).

The board of trustees are responsible for setting remuneration levels for the charity's senior staff. The key objective for St Luke's Hospice Plymouth is to ensure our approach offers fair pay to attract and keep appropriately qualified staff to lead, manage, support and/or deliver our objectives. The board complies with the Remuneration and Reward Policy for our charity which was revised and adopted in 2022/23.

In deciding SMT remuneration, the board of trustees have considered:

- The purposes, aims and values of the charity and its beneficiary needs
- How this remuneration impacts on the overall pay policy for all employees and for the SMT in particular
- The types of skills, experiences and competencies that St Luke's needs from its senior management team, the specific scope of these roles and the link to pay
- The charity's current strategic plan and how the implementation of this plan may affect the number of senior staff the charity needs to employ or recruit and the nature of these roles
- The charity's ability to pay and ensure any pay increases are in the context of St Luke's charitable purposes
- The board's assessment of the charity's performance and the SMT's performance against expectations, in both short and long term
- Appropriate available information on pay policies and practices in other organisations that can inform the decision on whether a level of pay is fair and reasonable. This has been achieved through local and national pay comparisons with other private, public and charitable organisations, including other hospices

In addition to the points listed previously and in accordance with the Statement of Recommended Practice (SORP), St Luke's Hospice Plymouth, within our audited and published annual report and accounts, discloses the number of employees whose remuneration exceeds £60,000.

- Senior Management Team pay is formally reviewed on an annual basis against set objectives. The trustees are satisfied that there is appropriate, robust, transparent and fair remuneration in place for SMT.
- In 2023/24 the People and Transformation trustees agreed for an external reward specialist company (Connor) to carry out a review of pay processes at St Luke's, providing recommendations for developing our pay setting processes during summer 2024.

Employee involvement

There is a successful cascade of information throughout the organisation from SMT (Senior Management Team), SLT (Senior Leadership Team) and OMG (Organisational Management Group) to teams, including financial and other performance information. The SMT places great emphasis on engagement at all levels, for example wide consultation on development of the organisational strategy for the next three years.

An established communication network across the wider organisation includes Intranet and TV screens, with email and text messages used to deliver key messages. Work is ongoing to continue to provide more information via the Intranet, and focus remains on cost-of-living support, health and wellbeing, benefits, and general engagement. A summary of all information referred to, plus any events, recognitions, new starters and leavers, is provided in a People Engagement Update, shared electronically, and printed for those areas with limited access to a PC or email. Our SLT meets regularly to discuss organisational priorities and directly disseminate information to individual teams.

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

Staff consultation continues via staff surveys, working with staff to agree and build on existing plans following feedback, with organisational updates on progress. Health and wellbeing and engagement feedback portals have been created and are monitored on a regular basis, with feedback from SLT, OMG, and Employee Voice Forum (EVF) reflecting views from within teams and anything that has a wider impact.

The health and wellbeing strategy has been refreshed with champions now meeting regularly to monitor themes and share good practice. QR codes, cards and banners have been created and distributed across the organisation to raise awareness of health and wellbeing champions and the means of contacting them. Work and support continue with the internal Menopause Awareness Group and mental health support through Andy's Man Club.

Recognition is vital to the retention of high quality staff. In addition to the Recognition App on the front page of the Intranet, which continues to be a popular forum for sharing positive feedback for colleagues, a recognition event is planned for 2024. The event is designed to embed St Luke's culture by acknowledging individuals and teams who have lived the organisation's embraced values and behaviours. We continue to send thank you cards to any individual or team recognised via the Intranet or app and these remain popular. More than 60 thank you cards have been sent to colleagues, encouraging managers to share the good practice and appreciation for our peers.

Other engagement activities are continually being developed, including an event during National Apprenticeship Week, shining a light on the hard work and achievements of seven apprentices. Fresh food hampers, with produce provided by our local Plymouth Market were given to 20 individuals, selected at random, to help with the cost of living. A St Luke's Christmas draw with 12 days of 'prizes' was organised. Two gym memberships for a local facility were awarded as part of a wellbeing initiative. Regular yoga sessions are now held for staff and volunteers at Turnchapel, as well as regular webinars on wellbeing and financial support for individuals.

A benefits drop-in session was well attended by staff and volunteers, with extremely positive feedback. Representatives from Royal London shared financial insight and local organisations provided massages for colleagues, among other offers.

An in-house leadership development programme 'Valuing Each Other' has been successfully running since May 2023, with seven cohorts and 49 attendees completing the programme so far. The content continues to evolve, based on feedback and national best practice, and evaluation of the programme remains positive. The aim of Valuing Each Other is to strengthen the trust among peers, empower colleagues and support managers to have heartfelt conversations, as well as create spaces to listen and reflect on how their teams are feeling and performing.

Leadership Walkarounds have been well received, giving SMT and trustees the opportunity to hear directly from frontline staff.

Fundraising practices

St Luke's Hospice Plymouth is registered with the Fundraising Regulator and adheres fully with the Code of Fundraising Practice. We are registered with the Gambling Commission for the delivery of our lottery and raffle and have a remote and non-remote operating licence.

There have been no incidents that were reportable to the Gambling Commission. We encourage all supporters or beneficiaries to contact us with any comment or complaint, in the first instance to the St Luke's team member responsible for the area of concern and then through our comments and complaints procedures, as published on our website. In the last year there have been no reported incidents, six complaints and no concerns raised in regard to fundraising and lottery.

We monitor incidents, complaints and concerns through a central database, managed by the Head of Quality & Compliance. The commercial director and head of fundraising are automatically notified of all occurrences and data is reported to SMT and SLT at monthly meetings.

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

We engage two self-employed canvassers and one remote telesales canvasser based in Plymouth, as well as self-employed and voluntary collectors. All third-party fundraisers are signed up to an annual contract and follow rigid fundraising standards. Failure to comply with any contractual or regulatory standards are investigated in line with the Lottery Policy and the hospice's own procedures.

We believe in the highest possible standards for our fundraising, considering supporters' preferences in all of our activity, ensuring it is compliant with regulatory standards and in line with the intent of those standards.

Personal data

St Luke's does not sell any personal data of any kind to any third parties, nor do we share supporter or beneficiary data for marketing purposes. We do share information with organisations working on our behalf to deliver services that supporters and beneficiaries have requested and always inform the supporter or beneficiary of what we are doing.

Protecting vulnerable people and others

St Luke's has robust practices that ensure we do not undertake any intrusive fundraising activity. We may from time to time undertake a telephone campaign or mailing. All campaigns are undertaken using telephone and mailing preference services and we ensure that within one year no person will receive what could be considered an intrusive or excessive number of contacts.

Existing supporters receive communications and contacts from St Luke's based upon their personal preferences shared with us or, where relevant, under legitimate interest.

Plans for future periods

As we enter a new year, we continue to be faced with an economy that is slow to recover and operate in a challenged health and social care system which is under a high level of national scrutiny. Our strength as an organisation is our ability to adapt and change while keeping our focus on the quality of the services we deliver and being that leading voice of end-of-life care for the community we serve. During the latter part of 2023 we began a process to review our strategic direction for the next three years. This review has involved consultation with a range of stakeholders including patients and their families, staff and volunteers other health and social care providers, and commissioners of our services. Our new strategy will be released in the summer of 2024. Some of the key actions which we will be implementing as part of this strategy are listed below:

- We will review and refine our clinical model to reflect international best practice and enable us to provide earlier support in the last year of life
- We will engage with other health and social care partners to develop a clear strategy for end-of-life care in Plymouth and the surrounding area
- We will establish a 'coordination hub' for end-of-life patients in the last year of life to provide a single point of contact for both patients and clinicians
- We will engage with other hospices to explore further opportunities for working together and potentially sharing medical resources
- We will develop and deliver a programme for promoting and supporting health, inclusion, wellbeing and a 'Just and Learning Culture'
- We will conduct an overarching review and benchmarking of our pay and reward schemes
- We will develop a robust financial plan which secures financial balance over the next four to five years
- We will develop and agree a plan for further improving income from legacies, fundraising and commercial activities

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

- We will develop a digital strategy which identifies opportunities and priorities for making better use of technology
- We will conduct a self-assessment of our environmental footprint and develop an overarching project plan to improve our environmental sustainability.

Reserves policy

The board adopts a risk-based approach. As a mature organisation with a variety of established, albeit volatile, income streams and predictable and well-planned expenditure, the trustees consider it most appropriate for the hospice to operate a reserves policy centred on an analysis of the potential risks to the amounts of those income streams and of the potential risks of over expenditure. The risks to the hospice's key income and expenditure lines are therefore estimated in order to quantify the reserves that are required, giving the total risk reserve requirement.

From this risk-based exercise the trustees determined that the hospice requires a risk reserve of £2.9m for 2024/25, (£3.3m 2023/24). Our usual level of risk reserves pre-Covid was £2.6m.

Any level of reserves in excess of the risk reserve requirement will be designated to ensure sustainability and develop new and improved services in line with the needs and preferences of patients living with, and dying from, advanced incurable illness. Following unexpectedly successful financial years, reserves spending has stepped up and has included investing in our Turnchapel site to ensure it meets the new agile working needs of our workforce as well as investing in meeting our strategic objectives.

Following a review of our designated spending plans four funds have now been established to meet our new strategic aims, which replace a longer list of individual projects. Our initial pilot of supporting patients in their homes in South East Cornwall was a success so we will expand this pilot to the end of financial year 2024/25, funded through our new "Quality" designated reserve. We are also investing our reserves in work to better understand our data, both internal and external; the results will help inform our strategic plans to address any unmet need in the area we serve. We will continue with previously agreed priorities that fit our new strategic aims.

Investment / Treasury management policy

An investment policy is in place which is reviewed annually by the board. St Luke's keeps reserves in excess of working capital requirements in line with its reserves policy and, in line with the hospice's investment policy, these funds are invested. The trustees have appointed Brewin Dolphin as their agent to manage a diverse portfolio of suitable investments, taking into consideration the risk appetite of the charity as well as ethical requirements including the non-investment in tobacco related products as well as social and ethical considerations. The trustees have selected an investment objective of a balance between income and capital growth. Global investment markets have seen a sustained period of economic volatility and we work closely with Brewin Dolphin to manage these risks as well as taking up opportunities for income and capital growth. Due to successful financial years during the pandemic, we invested a further £500,000 in 2021/22 with Brewin Dolphin and are encouraged to report that the value of investments at the year-end was £2,955,144. A gain of £229,960 was recognised in the accounts for 2023/24 in relation to our managed investments (2023 – loss £117,548).

As part of our wider Treasury Management Policy, we have over the last two years invested in residential property as part of our legacy income opportunities. Where we have been in the fortunate position of being the full beneficiaries of some estates and property, instead of realising the cash value of the properties, we have decided to retain them and rent out as residential lets. In the past two years where interest rates have been low, this has proved beneficial, as rental income was far greater than interest rates. However, with interest rates now higher, we are taking each property on a case-by-case basis. As at 31 March 2024, we held four residential properties at a value of £1,605,000.

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

Going concern

We believe that the charity's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be adequate for the charity's needs.

We have reported very strong signs of recovery in our retail and fundraising efforts since the pandemic, and we expect these areas to continue to deliver strong income streams. Our transformation programme where all staff, apart from retail, are located at the Turnchapel site instead of the previous three sites, has successfully reduced our overheads. Although staffing costs are growing significantly and putting pressure on our cost base, and hence our ability to operate within our income levels, there are sufficient reserves to act as a contingency fund. Trustees have assessed a period of 12 months beyond the date of signing of these accounts, and it is for these reasons the trustees consider the Group is a going concern.

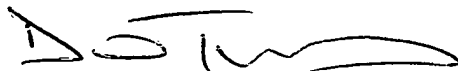
Each of the persons who are trustees at the time when this Trustees' Report is approved has confirmed that, so far as the trustee is aware, there is no relevant audit information of which the company's auditors are unaware, and the trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The Auditors

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office.

Conclusion

Finally, the board would like to take this opportunity to thank all the trustees, the Senior Management Team and staff, and the 596 volunteers, all of whom are dedicated to the charity, and who work so hard and contribute to its success. The Trustees' Report, incorporating the Strategic Report, was approved by the board, and signed on its behalf by



Mr D N Thomas
Chair of Trustees
16 July 2024

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2024**

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

Company law requires the Trustees to prepare financial statements for each financial . 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 Group and the Company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the Board of Trustees and signed on its behalf by:



Mr D N Thomas
(Chair of Trustees)
Date: 16 July 2024

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST. LUKE'S HOSPICE PLYMOUTH

OPINION

We have audited the financial statements of St. Luke's Hospice Plymouth (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST. LUKE'S HOSPICE PLYMOUTH
(CONTINUED)**

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

OPINION 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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST. LUKE'S HOSPICE PLYMOUTH
(CONTINUED)**

AUDITORS' 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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- We have considered the nature of the sector, control environment and financial performance;
- We have considered the results of enquiries with management and trustees in relation to their own identification and assessment of the risk of irregularities within the group; and
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation;
- We have identified any matters having obtained and reviewed the Group's documentation of their policies and procedures relating to:
 - Identifying, evaluation and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - The internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to income recognition, with a particular risk in relation to year-end cut off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities Act 2011, Charity SORP 2019, FRS 102 and the terms and conditions attaching to material grants received by the Group. In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or avoid a material penalty. These included the Health & Social Care Act, data protection regulations, health and safety regulations, employment legislation, the Code of Fundraising Practice and gambling legislation.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing board meeting minutes;
- Enquiring of management in relation to actual and potential claims or litigations;
- Performing detailed transactional testing in relation to the recognition of income, specifically grants and legacies, with a particular focus around year-end cut off; and

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST. LUKE'S HOSPICE PLYMOUTH
(CONTINUED)**

- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

As a result of the inherent limitations of an audit, there is a risk that not all irregularities, including a material misstatement in financial statements or non-compliance with regulation, will be detected by us. The risk increases the further removed compliance with a law and regulation is from the events and transactions reflected in the financial statements, given we will be less likely to be aware of it, or should the irregularity occur as a result of fraud rather than a one-off error, as this may involve intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' 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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Alison Oliver FCA (Senior Statutory Auditor)

for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date: *5 August 2024*

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
INCOME FROM:					
Donations and legacies	3	3,772,830	109,433	3,882,263	3,607,100
Charitable activities	4	3,248,845	122,508	3,371,353	3,258,271
Other trading activities	5	5,246,663	-	5,246,663	4,820,386
Investments	6	376,119	-	376,119	203,109
Other income		129,409	-	129,409	-
TOTAL INCOME		12,773,866	231,941	13,005,807	11,888,866
EXPENDITURE ON:					
Raising funds		5,891,318	20,461	5,911,779	4,836,902
Charitable activities	7	7,425,345	265,560	7,690,905	6,827,783
TOTAL EXPENDITURE		13,316,663	286,021	13,602,684	11,664,685
NET (EXPENDITURE)/INCOME BEFORE NET GAINS/(LOSSES) ON INVESTMENTS					
		(542,797)	(54,080)	(596,877)	224,181
Net gains/(losses) on investments		322,639	-	322,639	(89,672)
NET (EXPENDITURE)/INCOME		(220,158)	(54,080)	(274,238)	134,509
Transfers between funds	20	6,500	(6,500)	-	-
NET MOVEMENT IN FUNDS		(213,658)	(60,580)	(274,238)	134,509
RECONCILIATION OF FUNDS:					
Total funds brought forward		13,775,372	124,723	13,900,095	13,765,586
Net movement in funds		(213,658)	(60,580)	(274,238)	134,509
TOTAL FUNDS CARRIED FORWARD		13,561,714	64,143	13,625,857	13,900,095

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 30 to 57 form part of these financial statements.

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:01505753**

**COMPANY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	2024 £	2023 £
FIXED ASSETS			
Intangible assets	12	103,999	141,112
Tangible assets	13	2,122,400	2,558,722
Investments	15	2,955,146	2,664,371
Investment property	14	1,605,000	762,000
		<u>6,786,545</u>	<u>6,126,205</u>
CURRENT ASSETS			
Stocks		-	50
Debtors	16	1,321,823	1,621,220
Cash at bank and in hand		6,614,073	6,808,695
		<u>7,935,896</u>	<u>8,429,965</u>
Creditors: amounts falling due within one year	17	(994,050)	(755,819)
		<u>6,941,846</u>	<u>7,674,146</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>13,728,391</u>	<u>13,800,351</u>
Creditors: amounts falling due after more than one year	18	(13,408)	-
Provisions for liabilities	19	(247,212)	(212,625)
		<u>13,467,771</u>	<u>13,587,726</u>
TOTAL NET ASSETS		<u><u>13,467,771</u></u>	<u><u>13,587,726</u></u>
CHARITY FUNDS			
Restricted funds	20	64,143	124,723
Unrestricted funds	20	13,403,628	13,463,003
		<u>13,467,771</u>	<u>13,587,726</u>
TOTAL FUNDS		<u><u>13,467,771</u></u>	<u><u>13,587,726</u></u>

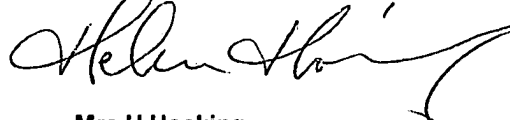
The Company's net movement in funds for the year was £(111,175) (2023 - £256,012).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Mr D N Thomas
(Chair of Trustees)
Date: 16 July 2024



Mrs H Hocking
(Treasurer)

The notes on pages 30 to 57 form part of these financial statements.


ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:01505753

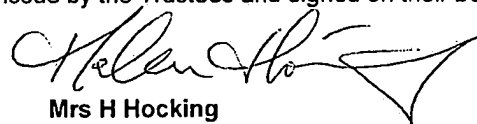
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2024

	Note	2024 £	2023 £
FIXED ASSETS			
Intangible assets	12	103,999	141,112
Tangible assets	13	2,122,400	2,558,722
Investments	15	2,955,144	2,664,369
Investment property	14	1,605,000	762,000
		<u>6,786,543</u>	<u>6,126,203</u>
CURRENT ASSETS			
Stocks		50,753	46,440
Debtors	16	1,279,477	1,583,416
Cash at bank and in hand	24	6,788,034	7,135,334
		<u>8,118,264</u>	<u>8,765,190</u>
Creditors: amounts falling due within one year	17	(1,018,330)	(778,673)
NET CURRENT ASSETS		<u>7,099,934</u>	<u>7,986,517</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>13,886,477</u>	<u>14,112,720</u>
Creditors: amounts falling due after more than one year	18	(13,408)	-
Provisions for liabilities	19	(247,212)	(212,625)
TOTAL NET ASSETS		<u><u>13,625,857</u></u>	<u><u>13,900,095</u></u>
CHARITY FUNDS			
Restricted funds	20	64,143	124,723
Unrestricted funds	20	13,561,714	13,775,372
TOTAL FUNDS		<u><u>13,625,857</u></u>	<u><u>13,900,095</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


Mr D N Thomas
(Chair of Trustees)
Date: 16 July 2024


Mrs H Hocking
(Treasurer)

The notes on pages 30 to 57 form part of these financial statements.

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	2024 £	2023 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	23	(803,922)	118,632
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interests and rents from investments		298,065	137,755
Proceeds from the sale of tangible fixed assets		563,491	36,912
Purchase of intangible assets		(15,068)	(117,433)
Purchase of tangible fixed assets		(405,902)	(913,046)
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		440,586	(855,812)
CASH FLOWS FROM FINANCING ACTIVITIES			
New finance leases		18,145	-
Repayments of finance leases		(2,109)	-
NET CASH PROVIDED BY FINANCING ACTIVITIES		16,036	-
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		(347,300)	(737,180)
Cash and cash equivalents at the beginning of the year		7,135,334	7,872,514
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	24	6,788,034	7,135,334

The notes on pages 30 to 57 form part of these financial statements

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

St. Luke's Hospice Plymouth meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Statement of Financial Position consolidate the financial statements of the Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Group 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 these financial statements.

1.2 GOING CONCERN

After making enquiries, the Trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

We have reported very strong signs of recovery in our retail and fundraising efforts since the pandemic, and we expect these areas to continue to deliver strong income streams. Our transformation programme where all staff, apart from retail, are located at the Turnchapel site instead of the previous three sites, has successfully reduced our overheads. Although staffing costs are growing significantly and putting pressure on our cost base, and hence our ability to operate within our income levels, there are sufficient reserves to act as a contingency fund. Trustees have assessed a period of 12 months beyond the date of signing of these accounts, and it is for these reasons the trustees consider the group is a going concern.

1.3 INCOME

All income is recognised once the group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the group has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the group, can be reliably measured.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

1. ACCOUNTING POLICIES (continued)

1.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

1.5 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 TAXATION

The Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.7 INTANGIBLE ASSETS AND AMORTISATION

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Computer software	-	20-33%
Computer software under construction	-	Not amortised until brought into use

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

1. ACCOUNTING POLICIES (continued)

1.8 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 4-7%
Equipment and furniture	- 4-67%
Motor vehicles	- 14-33%
Assets under construction	- Not depreciated until brought into use

1.9 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

1.10 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.11 DEBTORS

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

1.12 CASH AT BANK AND IN HAND

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

1.13 LIABILITIES

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

1. ACCOUNTING POLICIES (continued)

1.14 PROVISIONS

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event which is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.15 FINANCIAL INSTRUMENTS

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

1.16 FINANCE LEASES AND HIRE PURCHASE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.17 OPERATING LEASES

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

1.18 PENSIONS

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

The Group is a member of a multi-employer plan. Where it is not possible for the Group to obtain sufficient information to enable it to account for the plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

1. ACCOUNTING POLICIES (continued)

1.19 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 the Group and which have not been designated for other purposes.

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group 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, gains and losses are allocated to the appropriate fund.

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

Provisions are made for shop dilapidation and costs required. This is a critical estimate and subject to management estimates and judgements of the future costs.

Management exercise judgement in the recognition of income from legacies. Judgement is applied to establish entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable.

3. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Donations	1,731,226	41,501	1,772,727
Legacies	2,041,604	67,932	2,109,536
	<u>3,772,830</u>	<u>109,433</u>	<u>3,882,263</u>

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

3. INCOME FROM DONATIONS AND LEGACIES (CONTINUED)

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Donations	1,766,591	41,740	1,808,331
Legacies	1,798,769	-	1,798,769
	<u>3,565,360</u>	<u>41,740</u>	<u>3,607,100</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
NHS Basic Funding	3,090,799	-	3,090,799
End of Life Care Education Projects	-	94,534	94,534
Other Income	158,046	27,974	186,020
TOTAL 2024	<u>3,248,845</u>	<u>122,508</u>	<u>3,371,353</u>

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
NHS Basic Funding	2,824,665	-	2,824,665
End of Life Care Education Projects	-	89,249	89,249
Other Income	175,603	178,327	353,930
Hospice UK grants	-	(9,573)	(9,573)
TOTAL 2023	<u>3,000,268</u>	<u>258,003</u>	<u>3,258,271</u>

**ST, LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

5. INCOME FROM OTHER TRADING ACTIVITIES

Income from non charitable trading activities

	Unrestricted funds 2024 £	Total funds 2024 £
Shops/ bkinda	4,483,262	4,483,262
Lottery	763,401	763,401
	<u>5,246,663</u>	<u>5,246,663</u>
	Unrestricted funds 2023 £	Total funds 2023 £
Shops/ bkinda	4,059,612	4,059,612
Sale of assets	15,876	15,876
Lottery	744,898	744,898
	<u>4,820,386</u>	<u>4,820,386</u>

6. INVESTMENT INCOME

	Unrestricted funds 2024 £	Total funds 2024 £
Income from property	38,337	38,337
Investment income - other investments	78,054	78,054
Interest receivable and similar income	259,728	259,728
	<u>376,119</u>	<u>376,119</u>

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

6. INVESTMENT INCOME (CONTINUED)

	Unrestricted funds 2023 £	Total funds 2023 £
Income from property	30,407	30,407
Investment income - other investments	65,354	65,354
Interest receivable and similar income	107,348	107,348
	<u>203,109</u>	<u>203,109</u>

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
In Patient Care	3,143,648	1,008	3,144,656
Community Services	3,100,036	100,198	3,200,234
Hospital Services and Medical Operations	767,612	230	767,842
Education	414,049	164,124	578,173
	<u>7,425,345</u>	<u>265,560</u>	<u>7,690,905</u>

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
In Patient Care	3,282,059	1,978	3,284,037
Community Services	2,474,947	28,292	2,503,239
Hospital Services and Medical Operations	560,691	(460)	560,231
Education	315,832	164,444	480,276
	<u>6,633,529</u>	<u>194,254</u>	<u>6,827,783</u>

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £
In Patient Care	2,717,246	427,410	3,144,656
Community Services	2,686,830	513,404	3,200,234
Hospital Services and Medical Operations	600,952	166,890	767,842
Education	395,493	182,680	578,173
	<u>6,400,521</u>	<u>1,290,384</u>	<u>7,690,905</u>

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
In Patient Care	2,920,103	363,934	3,284,037
Community Services	2,086,560	416,679	2,503,239
Hospital Services and Medical Operations	425,217	135,014	560,231
Education	309,018	171,258	480,276
	<u>5,740,898</u>	<u>1,086,885</u>	<u>6,827,783</u>

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

Support costs are allocated on the following basis: costs are allocated directly where possible for all management, finance, IT and HR spend, and the remaining are apportioned on the basis of time spent across each of the charitable and income generation services, whilst HR support costs are apportioned on the basis of the number of personnel in each area of charitable and income generation activity.

	2024 £	2023 £
Cost of raising funds		
Shops	403,661	344,880
Lottery	36,939	49,551
Bkinda clothing and coffee	97,892	53,956
Fundraising and publicity	264,064	337,737
Investment and other	149,402	42,537
	<u>951,958</u>	<u>828,661</u>
Charitable activities		
In patient care	327,869	287,187
Community services	374,693	308,410
Hospital services and medical ops	97,534	80,879
Education	98,232	105,817
	<u>898,328</u>	<u>782,293</u>
Governance costs		
Audit & accountancy	26,795	29,479
Legal and professional	15,042	6,754
Other	421,829	335,062
	<u>463,666</u>	<u>371,295</u>

9. AUDITORS' REMUNERATION

The auditors' remuneration for the group amounts to an auditor fee of £25,760 (2023 - £22,870), and non-audit services of £1,500 (2023 - £1,430).

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

10. STAFF COSTS

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Wages and salaries	8,310,603	6,981,537	8,060,908	6,872,891
Social security costs	742,306	612,723	722,276	605,332
Contribution to defined contribution pension schemes	774,763	697,644	757,410	690,417
	<u>9,827,672</u>	<u>8,291,904</u>	<u>9,540,594</u>	<u>8,168,640</u>

During the year, redundancy payments were made amounting to £711 (2023: £Nil). The amounts are included in wages and salaries in the table above.

The average number of persons employed by the Group and Company during the year was as follows:

	Group 2024 No.	Group 2023 No.	Company 2024 No.	Company 2023 No.
Clinical and direct care	128	121	128	121
Direct support	45	39	45	39
Office and administration	50	48	50	48
Fund generating teams	107	92	97	86
	<u>330</u>	<u>300</u>	<u>320</u>	<u>294</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2024 No.	Group 2023 No.
In the band £60,001 - £70,000	-	3
In the band £70,001 - £80,000	3	-
In the band £110,001 - £120,000	-	1

Total remuneration (including employers national insurance and pension contributions) paid to key management personnel of the Group, comprising of the Senior Management Team, amounted to £400,877 (2023: £333,007) for the year. Due to changes in the senior management team, there were 7 personnel who covered 5 posts in the year (2023: 5 personnel covering 5 posts).

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 March 2024, no Trustee expenses have been incurred (2023 - £NIL).

12. INTANGIBLE ASSETS

GROUP AND COMPANY

	Computer software £	Computer software in development £	Total £
COST			
At 1 April 2023	102,827	63,300	166,127
Additions	11,293	3,775	15,068
Disposals	-	(14,375)	(14,375)
Transfers between classes	49,300	(49,300)	-
At 31 March 2024	<u>163,420</u>	<u>3,400</u>	<u>166,820</u>
AMORTISATION			
At 1 April 2023	25,015	-	25,015
Charge for the year	37,806	-	37,806
At 31 March 2024	<u>62,821</u>	<u>-</u>	<u>62,821</u>
NET BOOK VALUE			
At 31 March 2024	<u>100,599</u>	<u>3,400</u>	<u>103,999</u>
At 31 March 2023	<u>77,812</u>	<u>63,300</u>	<u>141,112</u>

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

13. TANGIBLE FIXED ASSETS

GROUP AND COMPANY

	Freehold property £	Equipment and furniture £	Motor vehicles £	Assets under construction £	Total £
COST					
At 1 April 2023	7,272,652	1,369,974	41,918	22,467	8,707,011
Additions	77,647	300,436	23,764	4,055	405,902
Disposals	(541,194)	(246,258)	(26,759)	-	(814,211)
Transfers between classes	-	22,467	-	(22,467)	-
At 31 March 2024	<u>6,809,105</u>	<u>1,446,619</u>	<u>38,923</u>	<u>4,055</u>	<u>8,298,702</u>
DEPRECIATION					
At 1 April 2023	5,053,603	1,052,768	41,918	-	6,148,289
Charge for the year	284,217	108,126	4,856	-	397,199
On disposals	(96,169)	(246,258)	(26,759)	-	(369,186)
At 31 March 2024	<u>5,241,651</u>	<u>914,636</u>	<u>20,015</u>	<u>-</u>	<u>6,176,302</u>
NET BOOK VALUE					
At 31 March 2024	<u><u>1,567,454</u></u>	<u><u>531,983</u></u>	<u><u>18,908</u></u>	<u><u>4,055</u></u>	<u><u>2,122,400</u></u>
At 31 March 2023	<u><u>2,219,049</u></u>	<u><u>317,206</u></u>	<u><u>-</u></u>	<u><u>22,467</u></u>	<u><u>2,558,722</u></u>

During the year, the Charity made a sale of freehold property with a net book value of £445,025.

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

14. INVESTMENT PROPERTY

GROUP AND COMPANY

	Freehold investment property £
VALUATION	
At 1 April 2023	762,000
Additions	750,321
Surplus on revaluation	92,679
At 31 March 2024	<u>1,605,000</u>

The additions to investment property were independently valued in 2024. The Trustees have revalued the investment property in the year based on their knowledge and experience of the current market conditions.

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

15. FIXED ASSET INVESTMENTS

GROUP				Listed investments £
COST OR VALUATION				
At 1 April 2023				2,664,369
Additions				819,329
Disposals				(683,305)
Revaluations				154,751
AT 31 MARCH 2024				<u><u>2,955,144</u></u>
NET BOOK VALUE				
AT 31 MARCH 2024				<u><u>2,955,144</u></u>
AT 31 MARCH 2023				<u><u>2,664,369</u></u>
COMPANY	Investments in subsidiary companies £	Listed investments £	Total £	
COST OR VALUATION				
At 1 April 2023	2	2,664,369	2,664,371	
Additions	-	819,329	819,329	
Disposals	-	(683,305)	(683,305)	
Revaluations	-	154,751	154,751	
AT 31 MARCH 2024	<u><u>2</u></u>	<u><u>2,955,144</u></u>	<u><u>2,955,146</u></u>	
NET BOOK VALUE				
AT 31 MARCH 2024	<u><u>2</u></u>	<u><u>2,955,144</u></u>	<u><u>2,955,146</u></u>	
AT 31 MARCH 2023	<u><u>2</u></u>	<u><u>2,664,369</u></u>	<u><u>2,664,371</u></u>	

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

16. DEBTORS

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
DUE AFTER MORE THAN ONE YEAR				
Amounts owed by group undertakings	-	-	50,000	50,000
DUE WITHIN ONE YEAR				
Trade debtors	194,143	187,957	194,143	187,957
Other debtors	157,058	189,526	156,205	181,280
Prepayments and accrued income	857,129	1,153,550	850,328	1,149,600
Tax recoverable	71,147	52,383	71,147	52,383
	<u>1,279,477</u>	<u>1,583,416</u>	<u>1,321,823</u>	<u>1,621,220</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Trade creditors	332,387	166,408	267,013	155,767
Amounts owed to group undertakings	-	-	129,603	76,048
Other taxation and social security	154,405	141,373	148,243	137,446
Obligations under finance lease and hire purchase contracts	2,628	-	2,628	-
Other creditors	97,793	86,146	93,197	84,554
Accruals and deferred income	431,117	384,746	353,366	302,004
	<u>1,018,330</u>	<u>778,673</u>	<u>994,050</u>	<u>755,819</u>

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Net obligations under finance lease and hire purchase contracts	13,408	-	13,408	-

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

19. PROVISIONS

GROUP AND COMPANY

	Dilapidation provision £
At 1 April 2023	212,625
Additions	45,000
Amounts used	(1,365)
Amounts reversed	(9,048)
	247,212

Provisions are made for the repairs, maintenance and rectification of shop premises held by the Group. The timing of the payments required are linked to the individual shop leases. The amounts have been estimated based on the known works that would be required if premises were returned in present condition, and values have been calculated by the premises team of the Group, along with guidance from a firm of quantity surveyors.

ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

20. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Fixed Asset Fund	2,619,609	-	(435,004)	41,421	-	2,226,026
Investment Revaluation Reserve	471,955	-	-	(52,911)	322,639	741,683
Legacies Reserve	1,000,000	-	-	-	-	1,000,000
Sustainability Reserve	50,000	-	-	200,000	-	250,000
Quality Reserve	-	-	-	750,000	-	750,000
Partnerships Reserve	-	-	-	600,000	-	600,000
People Reserve	-	-	-	250,000	-	250,000
Revenue Reserve	3,300,000	-	-	(400,000)	-	2,900,000
Other Designated Funds	2,784,176	-	(810,755)	(1,973,421)	-	-
	10,225,740	-	(1,245,759)	(584,911)	322,639	8,717,709
GENERAL FUNDS						
General funds	3,762,257	12,818,866	(12,081,317)	591,411	-	5,091,217
Dilapidation provision	(212,625)	(45,000)	10,413	-	-	(247,212)
	3,549,632	12,773,866	(12,070,904)	591,411	-	4,844,005
TOTAL UNRESTRICTED FUNDS	13,775,372	12,773,866	(13,316,663)	6,500	322,639	13,561,714

ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

20. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
RESTRICTED FUNDS						
Other Funds	5,428	109,433	(98,733)	(6,500)	-	9,628
Project Funds	119,295	122,508	(187,288)	-	-	54,515
	<u>124,723</u>	<u>231,941</u>	<u>(286,021)</u>	<u>(6,500)</u>	<u>-</u>	<u>64,143</u>
TOTAL OF FUNDS	<u>13,900,095</u>	<u>13,005,807</u>	<u>(13,602,684)</u>	<u>-</u>	<u>322,639</u>	<u>13,625,857</u>

SUMMARY OF OTHER DESIGNATED FUNDS - CURRENT YEAR

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Income Generation Reserve	234,655	-	(78,603)	(156,052)	-	-
Building Facilities Reserve	114,465	-	(15,144)	(99,321)	-	-
Invest to Save Fund	9,559	-	(2,628)	(6,931)	-	-
Case for Change / Quality Agenda	205,086	-	(5,475)	(199,611)	-	-
Compassionate Communities Development	18,028	-	-	(18,028)	-	-
Data Project	98,200	-	(225)	(97,975)	-	-
Hospital Team Expansion	104,000	-	(39,000)	(65,000)	-	-
Integrated Care Trial	55,183	-	(31,979)	(23,204)	-	-
Organisational Development Initiatives	55,000	-	(18,536)	(36,464)	-	-
Clinical Co-Ordination Reserve	1,000,000	-	(24,702)	(975,928)	-	-
Spiritual / Psychosocial	30,000	-	(4,421)	(25,579)	-	-
IT System Improvements Fund	150,000	-	(31,438)	(118,562)	-	-
Staff Support Scheme	200,000	-	(61,779)	(138,221)	-	-
Pay Reserve	510,000	-	(496,825)	(13,175)	-	-
	<u>2,784,176</u>	<u>-</u>	<u>(589,908)</u>	<u>(1,973,421)</u>	<u>-</u>	<u>-</u>

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

20. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Other Designated Funds	8,397,584	-	(589,908)	2,507,736	(89,672)	10,225,740
GENERAL FUNDS						
General funds	5,476,389	11,628,373	(10,855,162)	(2,487,343)	-	3,762,257
Dilapidation provision	(179,000)	(39,250)	5,625	-	-	(212,625)
	<u>5,297,389</u>	<u>11,589,123</u>	<u>(10,849,537)</u>	<u>(2,487,343)</u>	<u>-</u>	<u>3,549,632</u>
TOTAL UNRESTRICTED FUNDS	<u>13,694,973</u>	<u>11,589,123</u>	<u>(11,439,445)</u>	<u>20,393</u>	<u>(89,672)</u>	<u>13,775,372</u>
RESTRICTED FUNDS						
Other Funds	15,299	32,731	(22,209)	(20,393)	-	5,428
Project Funds	55,314	267,012	(203,031)	-	-	119,295
	<u>70,613</u>	<u>299,743</u>	<u>(225,240)</u>	<u>(20,393)</u>	<u>-</u>	<u>124,723</u>
TOTAL OF FUNDS	<u>13,765,586</u>	<u>11,888,866</u>	<u>(11,664,685)</u>	<u>-</u>	<u>(89,672)</u>	<u>13,900,095</u>

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

20. STATEMENT OF FUNDS (CONTINUED)

SUMMARY OF OTHER DESIGNATED FUNDS - PRIOR YEAR

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Fixed Asset Fund	1,986,769	-	(376,734)	1,009,574	-	2,619,609
Investment Revaluation Reserve	636,228	-	-	(74,601)	(89,672)	471,955
Income Generation Reserve	351,025	-	(81,470)	(34,900)	-	234,655
Building Facilities Reserve	133,057	-	(4,610)	(13,982)	-	114,465
Legacies Reserve	1,000,000	-	-	-	-	1,000,000
Invest to Save Fund	696,505	-	(33,591)	(653,355)	-	9,559
Revenue Reserve	3,100,000	-	-	200,000	-	3,300,000
Case for Change / Quality Agenda	150,000	-	(44,914)	100,000	-	205,086
Compassionate Communities Development	50,000	-	(31,972)	-	-	18,028
Data Project	100,000	-	(1,800)	-	-	98,200
LMS Replacement	20,000	-	-	(20,000)	-	-
Hospital Team Expansion	104,000	-	-	-	-	104,000
Integrated Care Trial	70,000	-	(14,817)	-	-	55,183
Organisational Development Initiatives	-	-	-	55,000	-	55,000
Clinical Co-Ordination Reserve	-	-	-	1,000,000	-	1,000,000
Spiritual / Psychosocial IT System Improvements Fund	-	-	-	30,000	-	30,000
Staff Support Scheme	-	-	-	150,000	-	150,000
Sustainability Reserve	-	-	-	200,000	-	200,000
Pay Reserve	-	-	-	50,000	-	50,000
	-	-	-	510,000	-	510,000
	8,397,684	-	(589,908)	2,507,736	(89,672)	10,225,740

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

20. STATEMENT OF FUNDS (CONTINUED)

As at 31/3/24 reserves have reduced by £274k in the year. As explained in the financial review, this was due to some planned spending on our designated reserves during the year. We continue to implement plans for spending of reserves to meet our charitable objectives, these are driven by our strategic aims.

Designated Funds

As part of our reserves policy we designate funds for a variety of reasons, these include; to cover risks within our operations, to invest in EOL service improvements and service expansion and also to invest in future income streams.

As part of our new 3 year Strategic Plan objectives, we have this year simplified our approach to designation of reserves by designating funds to meet each of our 4 objectives of Quality, Partnerships, People and Sustainability. Each strategic objective has been allocated a sum of money so that we can support the work needed to implement these objectives. We have therefore transferred the previously designated reserves on specific projects, to form the new designated reserves totalling £1.9m. the prior year comparators will show this movement. Throughout the 3 year Strategic Plan, departments will submit business cases to draw down on these funds, each business case will be assessed against various criteria including how it fits with St Luke's strategic aims before approval is given.

We have therefore transferred the previously designated reserves on specific projects, to form the new designated reserves totalling £1.9m. The table at the foot of Page 48 shows an analysis of those designated funds which will no longer be held and whose balances have been reallocated into the new reserves aligned to our 4 objectives.

The Revenue Reserve represents the minimum free reserves required by the Hospice, taking into account the potential risks to income streams and of the potential risks to expenditure over a two-year period. Reserves in excess of the minimum level of expenditure may be designated to develop new and improved services in line with the needs and preferences of patients living with and dying from advanced incurable illness. Within the period the trustees have designated a further £1.9m to fund projects in line with the strategic aims of the organisation. Designated funds are held for the following purposes:

The Fixed Asset Fund is held at a level equivalent to the net book value of the depreciable fixed assets owned by the Hospice in order to fund future depreciation costs. The movement in the year therefore mirrors the movement in the fixed assets for the period, which covers additions, disposals and the related depreciation transactions.

The Income Generation Reserve: This reserve was set up to invest in feasibility studies for new sustainable income streams including the b.kinda mystery box enterprise which started trading in June 2022 and our first coffee shop in Plympton.

The Building Facilities Reserve: Previously, all repairs were absorbed within the annual revenue budgets of the organisation. It is considered prudent to set aside funds for cyclical and emergency repairs to buildings and facilities. Large items such as annual painting programmes and large maintenance programmes will be funded from this reserve.

The Legacies Reserve: The Legacy Smoothing Reserve was set up to designate funds to mitigate the specific risk around this income stream. The reason the Hospice has removed the risk around legacy income from its Annual Risk Reserve Requirement to a specific Legacy Smoothing Reserve is because if legacies were to be reduced or stop altogether then the organisation could not take any management action to remedy this in the short to medium term. A significant drop in legacy income would present a unique set of circumstances to the Hospice in that, if retail or fundraising income were to dip, the organisation would be able to take management action to address this i.e. close or open shops, sell different goods or organise different events. However, if legacy income were to reduce the Charity could not influence this in the short to medium term – instead, it would have to reduce its expenditure very quickly. The Legacy Smoothing Reserve is therefore to fund potential legacy income shortfalls and give time to reduce expenditure in a planned way.

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

Restricted Funds

Restricted Funds Project Funds: Some NHS and other income is for specific projects and programmes. These funds are treated as restricted and the balance on these funds is held as Project Funds.

Other Funds: Other restricted funds are held at the value of any donations for restricted purposes that remain unspent at the year end.

21. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Designated funds	10,225,740	-	(1,245,759)	(584,911)	322,639	8,717,709
General funds	3,549,632	12,773,866	(12,070,904)	591,411	-	4,844,005
Restricted funds	124,723	231,941	(286,021)	(6,500)	-	64,143
	<u>13,900,095</u>	<u>13,005,807</u>	<u>(13,602,684)</u>	<u>-</u>	<u>322,639</u>	<u>13,625,857</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Designated funds	8,397,584	-	(589,908)	2,507,736	(89,672)	10,225,740
General funds	5,297,389	11,589,123	(10,849,537)	(2,487,343)	-	3,549,632
Restricted funds	70,613	299,743	(225,240)	(20,393)	-	124,723
	<u>13,765,586</u>	<u>11,888,866</u>	<u>(11,664,685)</u>	<u>-</u>	<u>(89,672)</u>	<u>13,900,095</u>

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	2,116,900	5,500	2,122,400
Intangible fixed assets	103,999	-	103,999
Fixed asset investments	2,955,144	-	2,955,144
Investment property	1,605,000	-	1,605,000
Current assets	8,059,621	58,643	8,118,264
Creditors due within one year	(1,018,330)	-	(1,018,330)
Creditors due in more than one year	(13,408)	-	(13,408)
Provisions for liabilities and charges	(247,212)	-	(247,212)
TOTAL	13,561,714	64,143	13,625,857

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	2,558,722	-	2,558,722
Intangible fixed assets	141,112	-	141,112
Fixed asset investments	2,664,369	-	2,664,369
Investment property	762,000	-	762,000
Current assets	8,640,467	124,723	8,765,190
Creditors due within one year	(778,673)	-	(778,673)
Provisions for liabilities and charges	(212,625)	-	(212,625)
TOTAL	13,775,372	124,723	13,900,095

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

23. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 2024 £	Group 2023 £
Net income/expenditure for the period (as per Statement of Financial Activities)	(274,238)	134,509
ADJUSTMENTS FOR:		
Depreciation charges	397,199	356,540
Amortisation charges	37,806	19,835
(Gains)/losses on investments in shares (net of fees)	(212,721)	134,360
Interest received	(376,119)	(203,109)
Profit on the sale of fixed assets	(104,091)	(15,876)
Decrease/(increase) in stocks	(4,313)	(8,161)
Decrease in debtors	303,939	116,634
Increase/(decrease) in creditors	237,029	(117,725)
Increase/(decrease) in provisions	34,587	33,625
Investment property gifted	(750,321)	(304,124)
Revaluation gains on investment property	(92,679)	(27,876)
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	(803,922)	118,632

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2024 £	Group 2023 £
Cash in hand	6,788,034	7,135,334

25. ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2023 £	Cash flows £	New finance leases £	At 31 March 2024 £
Cash at bank and in hand	7,135,334	(347,300)	-	6,788,034
Finance leases	-	-	(16,036)	(16,036)

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

26. CONTINGENT ASSET

At the reporting date, the charity has entitlement to further legacies that do not meet the revenue recognition criteria as although probable, the amounts are unconfirmed.

27. CAPITAL COMMITMENTS

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS				
Acquisition of tangible fixed assets	<u>35,923</u>	<u>40,270</u>	<u>35,923</u>	<u>40,270</u>

28. PENSION COMMITMENTS

Group Personal Pension Scheme

The Group operates a defined contribution pension scheme, which is operated by Royal London. The assets of the scheme are held separately from those of the Group in an independently administered fund.

The Federated Flexiplan No.1

The Group also is part of The Federated Flexiplan No.1 ("the Plan"). The Plan is a defined benefit pension scheme. It is a "last man standing scheme" which means that all participating employers are jointly and severally liable for the Plan's liabilities. However, because of the non-associated multi-employer nature of the Plan, the Group does not have sufficient information available (in particular to identify its share of the underlying assets and liabilities of the Plan) to use defined benefit accounting. As a result the amount recognised in the statement of financial activities represents the Group's contributions payable to the the Plan in respect of the current accounting period.

Members of the Plan are entitled to benefits on either a "Pensions Capital" or "Target Pension" basis. Under the Pensions Capital basis, contributions paid by and in respect of members are accumulated up to retirement and then used to secure benefits for the member. Under the Target Pension basis, members receive a defined pension at retirement based on length of service in the Plan under their Pensionable Salary at the date of leaving. The Plan is closed to new members and to future accrual of benefits.

The total cost payable to both these schemes for the year was £774,763 (2023: £697,644) and £88,745 (2023: £83,423) was payable to the schemes at the year end.

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

29. OPERATING LEASE COMMITMENTS

At 31 March 2024 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Not later than 1 year	490,184	400,245	490,184	400,245
Later than 1 year and not later than 5 years	972,307	539,064	972,307	539,064
Later than 5 years	4,808	-	4,808	-
	<u>1,467,299</u>	<u>939,309</u>	<u>1,467,299</u>	<u>939,309</u>

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Operating lease rentals	<u>562,625</u>	<u>490,197</u>	<u>562,625</u>	<u>490,197</u>

30. RELATED PARTY TRANSACTIONS

Other than transactions and balances within the group, there have been no related party transactions during the year, nor are there any outstanding balances owing between related parties and the Group at 31 March 2024.

The Group has taken advantage of the exemption available to not disclose transactions and balances with members of the same 100% group in accordance with Section 33.1A of FRS102.

31. CONTROLLING PARTY

The Group is controlled by the Board of Trustees.

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

32. PRINCIPAL SUBSIDIARIES

The following was a subsidiary undertaking of the Company:

Name	Company number	Registered office or principal place of business	Principal activity
SLH Ventures Limited	01786925	Stamford Road, Turnchapel, Plymouth, PL9 9XA	Fundraising in support of the parent charity
Holding	Included in consolidation		
100%	Yes		

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
SLH Ventures Limited	1,122,705	(963,548)	159,157	157,981

ST LUKE'S HOSPICE PLYMOUTH

England & Wales - Charity number 280681

Accounts

ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

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**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2023**

Trustees	Ms F Allen (appointed 26 May 2022) Mrs L J Annear (appointed 23 May 2023) Mr S Carter Mrs N Duncan Mrs J Edge (appointed 25 May 2022) Mrs F Field Mr C Hackett, Chair Mrs J A Hendry (resigned 24 May 2022) Mr J P Henniker Mr J Henniker Mrs H Hocking Mr R James (resigned 28 February 2023) Mrs C Quinn, Chair (resigned 17 November 2022) Mrs E Richerby Mr M Risdon Dr M Walker
Company registered number	01505753
Charity registered number	280681
Registered office	St Lukes Hospice, Stamford Road Turnchapel Plymouth Devon PL9 9XA
Company secretary	Susan Cannon
Chief executive officer	Stephen Statham (resigned 30 April 2023) Christina Quinn (appointed 1 May 2023, deceased 11 June 2023) George Lillie (appointed 12 June 2023)
Bankers	Santander Bridle Road Bootle L30 4GB
Solicitors	Foot Anstey Solicitors Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN

**TRUSTEES REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT OF THE CHARITY

The Board presents its Trustees' Annual Report, Directors' Report and the audited consolidated financial statements for the year ended 31 March 2023 as required by company law. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Memorandum and Articles of Association, 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 on 1 January 2019.

St Luke's Hospice Plymouth is a company limited by guarantee and not having a share capital. It was incorporated on 29 May 1980. It is a charity registered in England and Wales. The maximum liability of each member on the winding up of the company is £1.

16 trustees served during the year, including those who served for only part of the year. Individuals must sign a consent form on becoming a member. Every member will further the objects so far as practicable and observe any standing orders, rules and regulations issued in the Articles of Association of the Charity. The trustees are appointed as members of the Charity. Full responsibility for the running of the Charity is vested in the trustees, who by reason of the incorporation of the Charity are also Directors of the Company.

The Board of Trustees is the Governing Body. The Board meets to agree business plans and annual operating plans and to monitor performance against them. It sets the ethos, aims, policies and limits of authority. It appoints and provides support and direction to its senior executives (the Senior Management Team or SMT) and has a formally agreed governance policy that is reviewed annually. The services delivered by St Luke's are registered with the Care Quality Commission. In pursuit of its charitable objectives, St Luke's Hospice Plymouth works in partnership with other local hospices and Hospice UK which is the national charity for hospice and end of life care.

Chair: Mr Charles Hackett, BA (Hons) Classics (2:1)

Treasurer: Mr Michael Risdon BSc, ACA

Senior Executives:

Chief Executive

Mr George Lillie RGN RMN BSc. MSc (appointed 12 June 2023)*

Mrs Christina Quinn RGN, BA (Hons) PGCert, PG Dip Ed, PG Dip (appointed 1 May 2023, died 11 June 2023)

Mr Stephen Statham FCIPD MA (resigned 30 April 2023)

Deputy CEO* & Director of Finance & Resources:

Mrs Susan Cannon CPFA*

Director of Clinical Services

Ms Tricia Davis*

Commercial Director

Mr Michael Dukes

Director of People Services

Ms Adrienne Murphy

*Secondments to 31/03/2025.

Trustees

The following Trustees, who are also Directors, served during the year:

Ms F Allen (c,g) (appointed 26 May 2022)

Mrs L Annear (a,e) (appointed 23 May 2023)

Mr S Carter (f,e)

Mrs N Duncan (g,h)

Mrs J Edge (a,c) (appointed 25 May 2022)

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Mrs F Field (a,f,g,h)
Mr C Hackett (b,i)
Mrs J Hendry (a,b,c,g) (resigned 24 May 2022)
Mr J Henniker (a,e,f)
Mr J P Henniker (g,h)
Mrs H Hocking (d,e,f,i)
Mr R M James (b,d,e,i) (resigned 28 February 2023)
Mrs C Quinn (b,g,h) (resigned 17 November 2022)
Mrs E Richerby (d)
Mr M Risdon (b,d,f,i)
Dr M Walker (b,c,d)

The Trustees of St Luke's Hospice Plymouth serve on a number of Board committees as follows:

- a. BEESafe Health & Safety Committee
- b. Chairs' Governance Committee
- c. Clinical Review Group
- d. Finance and Audit Committee
- e. Income Generation Group
- f. Organisational Risk and Internal Audit Committee
- g. People and Transformation Committee
- h. Reward and Remuneration Committee

Three Trustees are also Directors of the wholly owned trading subsidiary:

- i. SLH Ventures Limited

In addition, a number of trustees attend operational groups.

RECRUITMENT AND INDUCTION OF TRUSTEES

Periodically the Governance Committee may decide it appropriate to carry out a skills audit of the current trustees before we carry out any formal recruitment process. The objective of a skills audit is to analyse the existing trustees' skills, knowledge, and experience to identify gaps within the board.

The organisation will use this information in several ways:

- To pool the talents of the trustees to deal with specific issues or when forming committees or project groups to ensure we utilise trustees' qualities and attributes effectively.
- To identify gaps in knowledge and skills in order to consider any training or development interventions.
- To target the recruitment of further trustees to the board based on the skills or knowledge gaps.
- To monitor the inclusivity and diversity of the board and, if appropriate, target recruitment to the wider community.

The Chair's Governance Committee will look at a broad range of selection methods, such as general advertising, linking into volunteering websites, or targeted recruitment for specific skills such as Treasurer etc, or under-represented groups.

In all cases an information pack is sent out with a covering letter from the Chair and may include the Articles of Association, the latest financial statements, the guide to being a trustee, a trustee role profile and background information on St Luke's.

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

At this stage we would also gain confirmation that the applicant is not legally barred from being a charity trustee. Interested parties will be able to visit the hospice and to meet the Senior Management Team.

The pack will also include an application form. Suitable applicants will be invited for an interview with at least two trustees from the Chair's Governance Committee. Other trustees may stand in if there are conflicts of interest or trustees are unavailable. Following the interview, the Chair will either:

- invite them to attend the next trustee meeting, and possibly come early to meet other trustees.
- thank them for their interest and offer them alternative volunteering opportunities, or request permission to hold them in a pool pending an appropriate vacancy.

Details of the potential trustee will be circulated to the Board of Trustees in advance of the Board of Trustees meeting and any trustees wishing to meet them may do so at or before the Board of Trustees meeting. Any feedback or concerns will be notified to the Chair.

The Chair will normally make the invitation to membership of the Board of Trustees after confirmation that the potential trustee is still interested and approval by the Board of Trustees following attendance. References will be obtained by the Chief Executive's office and a formal DBS (Disclosure and Barring Service) check will be carried out. Once appointed, a member is a trustee under the Charities Act and a director under the Companies Act.

All new trustees will be provided with an induction programme appropriate for their role and interests, and will be assigned a "buddy", from the existing trustee board and also a member of the Senior Management Team.

All trustees are required to complete St Luke's mandatory online training modules within three months of joining the organisation.

OBJECTIVES AND ACTIVITIES OF THE CHARITY

St Luke's Hospice Plymouth is a registered charity, a company limited by guarantee, and is registered with the Care Quality Commission.

It is governed by a Board of Trustees comprising up to 14 trustees/directors who normally meet six times a year and who also participate in several sub committees and operational management groups. Day to day management is vested in a Chief Executive, who reports directly to the Chair of Trustees.

The principal object of the charity, as defined in the Articles of Association, is to relieve sickness amongst people suffering from terminal illness, in the City of Plymouth and surrounding districts. St Luke's core service is the provision of specialist palliative care for the population of Plymouth, Southwest Devon and East Cornwall - a population in excess of 450,000. We work in partnership with others, delivering the education and support required to ensure the provision of excellent end of life care.

The Charities Act 2011, Section 4 requires charities to have due regard to public benefit. The trustees have reviewed the objects, goals, services and objectives of the charity in the light of this requirement and can confirm that St Luke's Hospice Plymouth serves for the public benefit. This Trustees' Report continues to evidence how the charity strives to meet need.

Our Vision

"A community where no person has to die alone, in pain or in distress."

Our vision is a far-reaching aim towards which everyone involved in end of life care should strive. St Luke's vision provides an underlying service of purpose for staff, volunteers and stakeholders.

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Our Mission

"We work within our community in partnership with others to achieve dignity, comfort and choice for people affected by a life limiting illness, by delivering and influencing exceptional care."

Our mission sets out what St Luke's role will be in helping to enable our vision to be realised. This mission gives greater prominence to not just the direct delivery of end of life care, but also exerting even more influence upon others involved in end of life care by bringing our experience and expertise to the work of health and social care professionals.

Our Values:

Professionalism, Respect, Compassion, Integrity

At St Luke's we are proud of, and passionate about our history and the care we provide. This has been achieved by the hard work, dedication and commitment of all the staff and volunteers who have made St Luke's what it is today. Our values are at the core of all our services. They inspire us and drive us, to ensure we provide the best possible care to as many local people as we can reach; living and dying with a terminal illness.

ANNUAL REPORT

When reflecting on the past year, it is impossible to separate what has been happening for us as an organisation from what has been happening in the UK and the wider world.

Events that we have felt the impact of include:

- Russia's invasion of Ukraine
- Three UK prime ministers in three months
- The highest level of inflation in the UK in 41 years
- Unprecedented industrial action across the health sector and other public sector organisations
- Large-scale restructuring of NHS commissioning arrangements with the formation of Integrated Care Systems/Boards (ICS/ICB).

Such significant changes have not only impacted those patients and families we serve but have had a direct impact on the staff and volunteers that work within St Luke's.

Despite the uncertainty of the past year and the new challenges it has brought, our resilience as an organisation has shone through. Our clinical teams have continued to adapt and respond to the many challenges within a health and social care system that is still in a recovery stage post-Covid dealing with increasing demands on it and managing with fewer resources to meet those needs.

We have continued to build upon our partnerships working with our colleagues from the NHS and hospices within Devon and the wider Southwest region. We have ensured that end of life care remains on the agenda for commissioners by supporting the system-wide end of life commissioning review and becoming a key stakeholder in the Local Care Partnership (LCP) board which will become one of the key mechanisms for shaping health and social care services going forward.

We have seen our clinical services go from strength to strength, which would not be possible without the work of our income generating and support teams. Our facilities and IT teams have been critical in enabling our transformation plans to co-locate clinical and other teams within one main site. It was achieved within a tight deadline and on budget.

During the last year, our income generating teams have continued to perform well despite the challenges of a significant downturn in the economy. We have seen our retail team not only exceed their budget but return their largest contribution to the charity ever of £1.527m.

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Our biggest asset as an organisation is our people. This year we have had to pay particular attention to this as we have seen the real-life impact of the sustained increase in the cost of living on our staff and their families. Our people services team have worked tirelessly to ensure we have responded - not only with short-term financial initiatives but with ongoing practical tools and support to better equip staff to deal with these pressures.

During the year we have seen the retirement of long-standing Chief Executive Steve Statham who left us at the beginning of May 2023. Following a robust recruitment process involving the services of the national recruitment agency Berwick Partners, Christina Quinn was appointed and took up post in early May 2023. Sadly, she was killed in a tragic accident on 11 June 2023 while on holiday abroad.

The customary procedure at that point would have been to make a short-term acting or interim appointment while immediately embarking on the rigorous and lengthy process of recruiting a permanent CEO. This not only felt inappropriate following the sudden loss of Christina, but there were also other important considerations.

It was vital not only to ensure that St Luke's carries on providing excellent care for patients and their loved ones, but also to move forward strategically, particularly in our mission to identify the terminally ill people and families our services don't reach at present.

With that continuity and progression in mind, George Lillie, our Deputy Chief Executive and Director of Clinical Services, was invited to step into the position of CEO for an extended period until at least April 2025 and he accepted the challenge. The Board and Senior Management Team expressed their confidence in George as the right person to steer St Luke's sensitively, effectively and proactively through the next two financial years.

As a charity we remain committed to providing our patients with quality end of life care, delivered with professionalism and compassion, so that we are part of a community where no one dies alone, in pain or in distress. To that extent we have had another successful year. In the year ended 31 March 2023, the charity was able to see 2,097 new patient referrals which resulted in the delivery of 3,960 individual episodes of care, this compares to 4,218 episodes of care in the previous year: a decrease of 6%.

Although the number of new referrals and episodes of care were marginally down compared to last year, the figures also show that, particularly in the community, patient visits and telephone contacts were significantly increased (20%). This reflects an ongoing notable change in the way primary care and community care is operating post-pandemic. What we are experiencing is that end of life (EOL) patients are being reviewed less often by General Practitioners (GP) than they have been historically. This is due to GP vacancies and their increased workload in other areas. We have also had to deal with the impact of both vacancies and inexperienced staff in our local District Nursing (DN) service. Both these factors have resulted in our clinical teams having to take on more generalist roles and spend significantly more time in navigating the system on behalf of patients and families. These challenges are further compounded by the general decline in social service provision and lack of domiciliary care provision both in rural and inner-city areas.

The total cost of our clinical services provision was £6,827,783 for the year, compared to £6,240,708 in the previous year, an increase of 9%, in the main due to the increase in costs, particularly staffing costs, as well as the complexity of patients seen and the wider system issues which requires significant additional time and resource to navigate.

Some of the highlights of the past year are summarised below:

One of our major risks during the year was concern around our ability to recruit key personnel. With the retirement of our senior medical consultant Jeff Stephenson and other medical staffing vacancies, we were concerned we would be unable to support our hospital-based and inpatient services. However, due to a highly successful recruitment campaign, we were able to fill all our vacancies. We have also been successful in recruiting to our new post of Director of People Services.

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

We have continued, as part of clinical workforce redesign, to introduce new roles and develop existing staff into these roles. Our nurse consultant roles have gone from strength to strength, and we have seen our community nurse consultant become part of the on-call medical rota for our inpatient unit. We have seen several of our staff complete their associate nurse training and others become non-medical prescribers, adding to the skill set and robustness of our workforce going forward.

As part of our ongoing transformation programme to use technology to support our work and free staff time, we have implemented several new IT systems during the year. One of our key projects this year was the installation of a new finance system. Iplacit was implemented successfully at the end of March, enhancing the robustness of our procurement processes and providing budget managers with more accessible reporting and drill down capabilities. We have also introduced several modules from our new business and risk management system, Vantage. These have included incident and accident reporting modules. We also replaced our fundraising database with a more robust and sophisticated system called ThankQ. All these systems have come with increased functionality including improved reporting functions allowing better use of data to review and improve on current performance.

We have introduced new income generation ventures under the umbrella of the b.kinda brand to support diversification of our income generating streams. b.kinda clothing was launched successfully in June 2022, selling mystery boxes of four items of donated women's clothing from a dedicated website to customers across the UK. Initial sales have been promising, highlighting the popularity of a concept we hope to significantly upscale in future. With first year sales on target to deliver 7,000 boxes and over 5,000 followers on Instagram, it is an encouraging start for this venture within the growing circular fashion economy. In addition, our first b.kinda coffee shop is due to open at Plympton in autumn 2023.

The year has seen a change in customer behaviour following the pandemic. Thankfully, retail customers have returned to the high streets and mass participation events have returned to our fundraising activities. Our retail teams have moved back to the trading hours that were well established prior to Covid, and the lottery and fundraising teams have a greater presence at Turnchapel in the new office accommodation, while continuing flexible working from home.

Sales across all our shops have been significantly ahead of our expectations, driven by the demand for value-based goods as pressures mount on household incomes. Increases have been achieved through higher volumes rather than increased prices and the teams in shops and transportation are to be congratulated for managing this with fewer volunteers and no central warehouse facility.

Gift Aid contribution performed above donated sales income, achieved by ensuring eligible supporters signed up to the scheme in our shops. Additionally, income improved from recycling as the price per kilo recovered from the previous year's low point.

Our strategy to focus on larger shop premises to allow a full range of goods continues to change our retail portfolio and deliver improved levels of income and surplus. The leases for Ebrington Street and Milehouse were not renewed at end of term but new larger premises in New George Street opened successfully in June which has not impacted on sales at nearby shops in the city centre. We are delighted that a new lease was agreed on more appropriate premises securing a return to Kingsbridge in 2023, and negotiations are advancing to acquire premises in North Prospect. Additional premises are being sourced but properties meeting our needs are in short supply within our catchment area.

While the increased cost of living has a positive impact on charity shop sales, the reverse is true for fundraising donations. The team have had to ensure that the message to supporters captures their imagination and that the benefits of their support in helping our clinical delivery is clear. Against this background it is testament to our team that they have delivered so consistently well, both in their supporter care and income raised. Supporters are finding it harder to raise sponsorship through direct asks to friends and family, so there has been a greater focus on encouraging Just Giving pages to be set up, with the team advising on the best way to use these effectively.

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

The 40th anniversary of St Luke's provided good opportunity to celebrate community and raise additional funds through events like the successful Ball at the Citadel.

It has been good to see the return of our mass participation events this year as they raise significant amounts and offer great visibility across the catchment area for St Luke's. Due to restrictions on social mixing in previous years, the postponed 2020 Men's Day Out event finally went ahead at the start of the year, with the 2023 event at the end of the year. The number of participants continues to grow, along with supporter satisfaction, and the fact that it offers a unique opportunity for men to feel comfortable talking about bereavement. Men's Day Out, Midnight Walk and Tour de Moor are successful, well-supported events that are the mainstay of our fundraising calendar, achievable only with a dedicated army of volunteers and the outstanding support of our local corporate sponsors.

The donations we receive come from an increasingly diverse range of activities - face to face and online, physical and digital - and it is important that we develop systems that give the best levels of supporter care and management information across all these areas, while ensuring high levels of data security. It is with this in mind that a new Customer Relationship Management system (CRM) was successfully implemented in 2022 and the benefits of better data will be developed as the system is embedded into our ways of working.

Lottery sales continue to deliver a significant contribution to support the hospice with good year on year growth following the inevitable downturn the previous year due to the pandemic. New player recruitment has been successful now that sales teams are able to get to public locations. However, the number of existing players reducing their number of chances or stopping their direct debits has been higher than planned and reflects the pressure on household income. The net effect is that, while still increasing, the growth in player numbers has been less accelerated than hoped for.

The difficulties of the current economic climate are unlikely to see significant change over the next year so our focus on developing and delivering new income streams will continue.

STRATEGIC REPORT

Financial Review

The financial year 2022/23 was our first since the pandemic where we received no external Covid-related financial support. We are pleased to report that the year ended with unexpectedly strong results – mainly from our retail department and from bequests. These successes meant we turned our budgeted deficit of £691,000 into a surplus of £135,000 for the year.

Funding for the hospice comes from a number of sources but is mainly generated by our internal income generation teams and legacies. Our basic NHS funding provided £2.8m (24%) in the year, the charity itself generated £3.6m (30%) from donations and legacies and £4.8m (40%) through trading activities, and an additional £0.2m (2%) came from investment returns. The remaining £0.4m (4%) was received towards specific clinical services and education projects provided.

Of the £6.8m that we spent in the year on clinical services, £3.3m (48%) was funded through the NHS, and the remainder was generated through the generosity of the public, for which we are immensely grateful.

Retail's contribution to the charity after costs, was an impressive £1.5m with steady results achieved throughout the year. Legacy income was strong at £1.8m and was received mostly towards the second half of the year. Our Fundraising and Lottery teams also had a successful year with a combined contribution after costs of just over £1.5m; coming in just over budget.

Shops have performed exceptionally well since the end of the pandemic, which is in line with other charity's experiences, however the medium- to long-term impact on the high street and fundraising events remain unknown, so we continue to be cautious in our future years' budget assumptions.

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Our strategy of opening larger retail shops appears to be paying off. In the year we opened new larger premises in New George Street in June 2022 and a new lease was agreed allowing us to return to Kingsbridge in 2023, with North Prospect premises also currently under negotiation.

Our flagship events - Midnight Walk, Tour de Moor and Men's Day Out - were all very well attended and enjoyed. Despite the events being successful there appears to be a common theme resulting from the current cost of living pressures, with participants reluctant to ask for sponsorship in the way we have seen in previous years.

Lottery has remained steady over the last few years, contributing £400,000 this year to the charity, however we are finding that increased efforts are required to maintain and grow player numbers.

The organisation made an overall surplus of £134,509 (2022 – surplus of £1,858,883), which is after including losses on investments of £89,672 (2021 – gain £148,259). This surplus was achieved after charging depreciation of £356,540 (2022 - £381,605) which was funded by designated reserves.

Income generation (excluding sale of assets) has seen an increase on last year's levels of approximately 27%. Overall, income from trading activities increased from £4,229,060 in 2021/22 to £4,820,386 in 2022/23. Although seeing a much-welcomed increase of £591,000, we have still not returned to pre pandemic levels where in 2019/20, which was in the main a Covid-free year, we generated £5,014,884 from our income generation efforts.

Donations and legacies achieved £3,607,100 in the year compared to the previous year's £2,973,043. This is a strong income source for the hospice but one that has previously been known to be very volatile and hence requires careful monitoring. In 2022/23 the hospice recognised total bequests of £1,798,769 (2022 - £1,529,575) in the year, against a budget of £1,400,000. For pecuniary legacies, the recognition point is normally when notification of the grant of probate is received, and residuary legacies are normally recognised when draft estate accounts are available or other suitable information which allows the legacy to be measured with reasonable accuracy. Legacy income of just £870,141 has been recognised as income in the accounts which will be received after the year end.

The cost of raising funds, excluding investment costs, rose from £4,009,776 to £4,836,902, an increase of 21% in the year. This was due to a full year of shops being open and full reintroduction of our fundraising events.

Many of the charity's shops are leased and the related contracts require certain levels of repairs and decoration to be undertaken prior to the premises being returned at the end of the lease. During 2019/20 it was identified that the level of provision set aside for existing liabilities in relation to these leases was inadequate and, after review, an additional sum was added into the charity's provision balances at the year end. Continued review of our retail operation results in annual fluctuations to this provision which now stands at £212,625 (2022: £179,000). The amounts have been estimated based on the known works that would be required if premises were returned in present condition, and values have been calculated by the premises team of the Group, along with guidance from a firm of quantity surveyors. Further details are shown in Note 18.

Due to the overall surplus in the year, total reserves have increased to £13,900,095 (2022 - £13,765,468). The surplus in the year has been driven by the exceptional performance of our shops as well as higher than anticipated legacy income accounted for in the year. This level of reserves places the hospice in a strong position to tackle the significant underlying deficits we face over the medium term. We expect deficits of £775,000 in 2023/24 and more than £1m per year in the following two years because of the continuing rises in employment costs, particularly as we strive to recruit and retain the necessary staff resources to deliver our services to the high standards we are renowned for.

We aim to bring these anticipated deficits back to a break-even position over the next three years through the implementation of our Financial Sustainability Plan - a number of actions to address the growing gap between operating costs and income levels. The gap will be addressed partly through our new income generation

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

ventures which we are currently investing in using designated reserves, as well as income growth through stretching our retail and fundraising operations and by driving further efficiencies through our continuing transformation programme.

We continue to designate funds for service-based and invest-to-save projects which will be used to broaden our reach to a wider population and to invest in the continuous improvement of our services. In line with our strategy, we will invest in technology to continually improve the care we provide.

Financial sustainability is one of our key strategic objectives; and we are pleased to report that we are reaching the final parts of our post-Covid transformation project to ensure we work as efficiently as we can and to take advantage of some of the agile working principles that were forced on us as part of our response to the pandemic. The most impactful of these is the reduction of our real estate from three major premises to just the one at Turnchapel. We now have all non-shop-based staff working successfully from this site, embracing the "OneTeam" approach, which is so important to us. Following the office refurbishment of Turnchapel all staff returned to the newly configured office suite in quarter 3 of 2022/23.

We continue to designate reserves to smooth the impact of our annual bequest income, which can be difficult to predict with any certainty. We hold a building reserve fund to help ease the ongoing liabilities that come with owning some of our operational assets. We are embarking on our five-year capital plan which will see a number of large items of expenditure, such as replacement of our generator, upgrade to our lifts, and investment in the parking and gardens at Turnchapel.

We also earmark reserves for our income generation ventures, creating sustainable sources of income in a rapidly changing climate. This year that includes the launch of our b.kinda brand clothing venture and first coffee shop. Funding for the feasibility and set up costs of these new ventures has been through the use of designated reserves.

We hold a designated fund to initiate the expansion of our hospital team in order to expand our reach and to educate staff at University Hospital Plymouth (UHP) in end of life care. We have also set aside funds for an Integrated Care Trial to improve the discharge of patients across the wider system through the recruitment of an additional Band 7 nurse for a two-year period, as well as designating funding to replace some of our IT systems, to enable continued improvement in our processes and information.

New designations this year include:

- A new Clinical Co-ordination Reserve which we will use over the next few years to work with local commissioners around the benefits of extending our current model of co-ordination to incorporate the last year of life, rather than just the last three months of life, as it currently sits. This will be subject to a proof-of-concept exercise where we aim to help prevent patients at the end of their life going into hospital in the first place and, for those who end up being admitted to hospital, being able to facilitate a rapid discharge.
- A post-pandemic rethink of our approach to spiritual/psychological care for patients on the IPU and how we engage with the wider spiritual community to embed their ongoing support.
- A sustainability reserve. Environmental sustainability is a key objective for the hospice over the next few years. We have set some funds aside to make improvements required in a timely manner to support our environmental plans.
- A workforce planning reserve. As our three-year work plans get developed over the next 12 months we will need to adopt an invest-to-save approach for some training positions to enable us have staff available to fill positions as our workforce planning models become reality.
- A reserve to support organisational development initiatives will fund the launch of a recognition programme as well as maintain the focus on staff health and wellbeing with a number of initiatives designed to be inclusive and accessible to all staff.
- A staff support scheme fund. Since the pandemic, the hospice has introduced several changes to how we operate, including the Transformation Programme as well as many system changes. As a result, teams and many individuals are feeling stretched. The set-aside funds will enable additional short-term staff resource or contractors, whichever is most appropriate to each team.

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Following movements on designated funds, our general funds have reduced from £5,297,389, to £3,549,632, a reduction of £1,747,757, due to additional designations and spending in the year.

Our unrestricted funds, which are made up of free and designated reserves, are £13,775,732 at year end, an increase of £80,399 in 2022/23. This includes the investment revaluation reserve; although investments are held on a long-term basis, the portfolio is considered to be readily convertible and as such is included when calculating free reserves. Designated reserves, if uncommitted, can be undesignated should circumstances change and hence can be deemed as usable. As at 31 March 2023, free and uncommitted reserves represent 10 months of expenditure based on the organisation's total budgeted running costs for next year. This has reduced from the previous year's 11 months, due to the significant increase in the running costs of the hospice.

The charity's reserve policy reflects a risk-based approach. Pre-Covid, free reserves of at least £2.6m were required. This increased temporarily to £4.5m because of the initial and severe uncertainties the pandemic had on the hospice's finances. It has now reduced to a £3.3m minimum risk requirement as we address the perceived risks within the hospice's finances. The Board is pleased to note that we are in excess of the minimum requirement.

The Board is extremely pleased with the financial performance in the year, and this reflects the determination of both the Board and the senior executives to ensure that the organisation remains financially sustainable in the long term. It must be acknowledged that the hard work and dedication of all our staff and volunteers has been the overriding reason for the successes of the past year.

Performance of Our Services

In the year ended 31 March 2023, the charity was able to see 2,097 new patient referrals which resulted in the delivery of 3,960 individual episodes of care. This compares with 4,218 episodes of care in the previous year - a decrease of 6%.

Although the number of new referrals and episodes of care were marginally down compared to last year, the figures also show that, particularly in the community, patient visits and telephone contacts were significantly increased (20%). This reflects an ongoing notable change in the way primary care and community care is operating post pandemic. What we are experiencing is that end of life (EOL) patients are being reviewed less often by General Practitioners (GP) than they have been historically. This is due to GP vacancies and their increased workload in other areas. We have also had to deal with the impact of both vacancies and inexperienced staff in our local District Nursing (DN) service. Both these factors have resulted in our clinical teams having to take on more generalist roles and spend significantly more time in navigating the system on behalf of patients and families. These challenges are further compounded by the general decline in social service provision and lack of domiciliary care provision both in rural and inner-city areas.

Although our local health and social care system remains challenged. St Luke's has continued to play its part in trying to improve end of life services. We have actively engaged with the newly formed Integrated Care System (ICS) to help plan for the future. This has culminated in an EOL system review that has made some formal commitments to improve EOL care provision for people in our local area and across the rest of Devon. We will act as one of the system leaders in bringing these commitments to fruition over the next few years. During this year we have been working closely with our fellow Devon hospices to assist in the transition of our Devon-wide Out of Hours (OoH) medical provision from a local provider (Devon Doctors) to a national organisation (Practice Plus Group). We have as part of this process reviewed the way we review our most unstable patient in hours to help minimise calls to the OoH provider during weekends and evenings, and this has been well received by the new provider.

An ongoing challenge in the local health and social care system is the number of EOL patients who end up being admitted to hospital via the Emergency Department (ED). To tackle this our hospital-based team has been working closely with the leadership team of the hospital to help resolve this. They have managed to secure funding to pilot an Advanced Clinical Practitioner (ACP) to review patients in the Emergency

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Department to help prevent patients being admitted unnecessarily to hospital. To support this work, we have run several cross-organisational workshops with system partners to see what can be done collectively to minimise inappropriate admission to hospital. Some of the actions that came out of these workshops will form part of our future strategic planning.

With our newly appointed Associate Director of Quality and Patient Experience this year, we have been methodically reviewing the way we deal with quality and capture information. As part of this plan of work we have embedded the principles of a 'Just Culture' in the way we tackle incidents and complaints. To assist us in this process we have reviewed our approach to the way we conduct learning events and carry out reviews of incidents. We are among the first hospices to adopt and implement the new evidence-based patient safety incident reporting framework (PSIRF) that is being introduced within the NHS. As part of this process, we have implemented a new electronic incident reporting tool module. We have spent time reviewing our clinical dashboard to be better able to review changes to our services over time and question whether we are reaching those hard-to-reach patients and families within the population we serve as a hospice. We have also signed up to be a stakeholder in the One Devon Data Initiative to help drive the use of health population management in the planning of care services for the future.

Our community engagement team has continued to build links with the community groups in our catchment area and has been at the forefront of promoting death cafes and working with schools to enable communities to be better able to deal with death and dying.

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

The total cost of our clinical services provision was £6,827,783 for the year (2022: £6,240,708). The following table gives more information:

Our clinical activities				
	2023	2022	2021	2020
In Patient Care				
Patients (referral open see note 1 below)	271	256	216	246
Admissions	284	282	216	260
Deaths	229	214	149	191
Discharges	47	70	67	70
Occupied bed days	3307	3375	3021	3434
% Occupied	76.00%	77.05%	69.00%	78.10%
Average length of patient stay (days)	12	12	10	13.8
Community Services (Including Social Care & AHP patient support)	2023	2022	2021	2020
Patients (referral open)	1597	1670	1578	1603
Patient/Carer visits	5012	4913	4377	5434
Patient/carers phone calls (Duty Nurse commenced 02/11/2016)	16856	14833	21646	14714
Professional liaisons	6412	6673	6460	9896
End of Life in the community, including Care package	2023	2022	2021	2020
Patients - See Note 1 below	736	727	658	700
Accepted referrals	906	853	870	844
Patient visits (by professional)	16870	12487	10494	11862
Hospital Services and Medical Outpatients	2023	2022	2021	2020
Hospital SPC service				
Patients referred	1297	1529	1317	1182
Support contacts	4411	4612	4400	3498
Medical Outpatients				
Patients	59	36	36	40
Attendances	64	83	59	86
Other Clinical support	2023	2022	2021	2020
Bereavement Support Contacts (including telephone calls)	1545	2495	1904	1131
Lymphoedema				
Patients (active)				553
Palliative care appointments (attended)				133
Palliative care appointments (Hours)				103
NHS contracted appointments (attended)				1750
Education	2023	2022	2021	2020
No of internal individuals trained in the year	1296	1045	313	2416
No of external parties/individuals trained in the year	430	500	593	1866
No of training sessions on National/Regional projects, local forums & conferences etc	n/a	188	155	265

Note 1 - In rare cases there may be a slight chance of double counting

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

RISKS

The recruitment and retention of key staff is becoming more challenging. We know there is a shortage of clinical staff and the current labour market favours those seeking employment. We are, therefore, seeing fewer applicants for jobs we advertise. However, our recruitment has started to focus on the positive experience of working for St Luke's and we have seen some successful campaigns recently, including those for recruiting doctors and consultants.

We also continue to proactively implement various initiatives to support the health and wellbeing of our staff, which is positively impacting on retention. With the recruitment of clinical staff becoming more challenging, we are working on a number of key measures to mitigate this risk. These include return to practice placements for clinical staff, apprenticeships, work experience and a more flexible approach to hours and days of work.

Our expenditure growth predictions, fuelled by high pay expectations and growing inflation, are known to be exceeding our income predictions, hence the budget gaps that we are currently dealing with and the forecast deficit of more than £1m that we expect to face in 12 months' time. We are addressing these through our financial sustainability plan which will consider options for additional income generation opportunities, as well as action plans to reduce costs across the whole organisation, starting with our non-clinical areas.

Retail shops have performed exceptionally well since the end of the pandemic, which is in line with other charity's experiences, however the medium- to long-term impact on the high street and fundraising events remain unknown, so we continue to be cautious in our future years' budget assumptions. We know we are facing a period of unpredictability and uncertainty in the economy, as well as facing competition in general fundraising activities and support from the public for other charities at a time of crisis.

We acknowledge that income generation is getting more and more challenging, and we are putting in a series of measures to manage this risk/challenge. Having progressed well with the b.kinda brand this year, we will continue to look at diversifying our income streams.

With the changes happening within the NHS, there is a growing likelihood that we will see additional competition for NHS contracts from private, public, and other volunteer organisations. Although it would be difficult for organisations to deliver end of life care if it is not their speciality, we must constantly stress the added value of our charitable funding. Our reputation is high; trust and respect have been built up over a considerable period of time with government, local donors and agencies. The challenge will always be about protecting our reputation and brand.

Commissioners are increasingly looking at efficiencies and value for money in the services we deliver. It is essential we maintain appropriate management information to demonstrate the scope of our reach, and further develop patient outcome measures to show the difference we are making to patients as a result of our intervention.

In Devon we have an ageing population. Projections suggest the number of residents aged 65 to 84 years will grow by 17% by 2025. The number of adults aged over 85 years is expected to grow by as much as 29%. Meeting these increased needs without a significant increase in funding will be challenging. We know we will be unable to cope with this demand unless we consider appropriate partnerships and collaboration with existing providers. This brings many challenges around having appropriate agreements, while protecting our own brand and image, and our ability to generate income.

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

The Organisational Risk and Audit Committee reviews risk and internal controls, approves the risk-based internal audit plan and receives regular internal audit reports, progress reports and corporate risk updates. Senior management review key strategic and operational risks on a regular basis. They consider progress on mitigating actions, new and emerging risks and opportunities. Board sub committees and management groups help identify, evaluate, and manage risks relating to clinical services, fundraising, investments, business continuity, health and safety, remuneration, major infrastructure, IT projects and operational needs.

OUR STRATEGIC AIMS

We embrace our responsibility to meet the specialist palliative care needs of our patients and their families through excellent, personalised patient-centred care.

We have developed significant partnerships with the NHS, social care, the voluntary sector and other healthcare providers in order to deliver a seamless service for our patients.

We are aware of the challenges that lie ahead with the significant demographic changes within our local population, along with developments within the health and social care sector, including the following:

- a growing elderly population with complex care needs
- increased levels of unmet need for end of life care
- number of adults aged over 85 years expected to grow by as much as 29% by 2025
- the gap between people's preferred place of death and their actual place of death
- the rise in dementia-related deaths
- significant constraints on the level of state resources for health and social care in the future
- shortage of skilled staff and many clinical staff due to retire in the next 10 to 15 years
- lack of coordinated care and difficulties in the sharing of information
- increased regulation and scrutiny, eg the new CQC inspection regime

Our 2019-24 strategy underpins our desire to meet the increased demand and overcome the challenges we face across the communities we serve, and place patients, their families, and communities at the heart of our care.

We will continue to become more patient and person-centred, knowing that for patients and families to live and, eventually, die well, they need to be resilient and have a strong sense of coping. This means putting our patients and families at the centre of decisions, recognising the importance of 'what matters to someone' and not just 'what's the matter with someone'.

We are proud to be embedded within our local communities and recognise that we will be unable to deliver our ambitions alone, so we must work in partnership with others to further our vision. We will do this by sharing best practice, educating other healthcare professionals, and joining with other organisations to deliver more comprehensive and integrated services for the benefit of all our patients and their families.

Right across St Luke's, we are fortunate to have staff and volunteers who are committed, passionate, professional and focused on giving an excellent service to all our users. We know we need to continue the development of our workforce to achieve the flexibility and responsiveness required to meet the changing needs and preferences of those we care for and support. We will also continue to make the most of our dedicated volunteers across all areas of our charity, ensuring they are trained and properly recognised in the roles they carry out.

We realise our plans can only be achieved by raising sufficient funds each year to continue our journey. It is clearly essential that we remain financially viable, and we will therefore increase our efforts to maximise our income generation activities as well as exploring opportunities for innovative and diverse sustainable income streams.

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

We know that with everyone contributing to our shared vision and mission, we will be united in our determination to work in partnership with others to achieve dignity, comfort and choice for people affected by a life-limiting illness.

OUR STRATEGIC GOALS

In our strategic planning, the challenge has been to find the right balance between continually developing our services and finding ways to respond to the increasing demand in a climate of severe funding pressures.

Our strategic objectives help us consolidate and move towards our mission and vision. These are directed by three broad, but far-reaching strategic priorities:

Care for you and those who care for you

We will provide excellent, safe personalised end of life care that puts patients and families at the centre of decisions.

We will work in collaboration and develop partnerships to extend our influence and improve understanding and support for everyone in our community affected by a life limiting illness.

We will use digital technology to support the delivery of care and advice to patients, and the health and social care professionals looking after them.

We will ensure equity of service so that patients and families can access our services equally, regardless of condition, background, gender or religion.

To be an employer of choice

We will recruit and develop our clinical workforce to ensure they have the right skills, experience and attributes required for delivering care in a rapidly changing healthcare environment.

We will continually invest in the development and engagement of our staff and volunteers in order to deliver an excellent service to all our users.

We will continue to develop a values-based culture that leads to full and positive employee engagement, enabling St Luke's to provide an excellent service to all users.

To develop the financial and operational resilience of the organisation

We will continue to be financially viable by maintaining growth in existing income generation activities and investing in innovative and sustainable sources of new income.

We will continue to drive cost efficiency and ensure best use of our financial resources.

KEY MANAGEMENT PERSONNEL

The key management personnel that the Board has identified consist of the Senior Management Team.

The Board of Trustees are responsible for setting remuneration levels for the charity's senior staff. The key objective for St Luke's Hospice Plymouth is to ensure our approach offers fair pay to attract and keep appropriately qualified staff to lead, manage, support and/or deliver our objectives. In 2022/23 the Board of Trustees reviewed and adopted a revised Remuneration and Reward Policy for the charity.

In deciding Senior Management Team remuneration, the Board of Trustees have considered:

- The purposes, aims and values of the charity and its beneficiary needs

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

- How this remuneration impacts on the overall pay policy for all employees and for the Senior Management Team in particular
- The types of skills, experiences and competencies that St Luke's needs from its Senior Management Team, the specific scope of these roles and the link to pay
- The charity's current strategic plan and how the implementation of this plan may affect the number of senior staff the charity needs to employ or recruit and the nature of these roles
- The charity's ability to pay and ensure any pay increases is in the context of St Luke's charitable purposes
- The Board's assessment of the charity's performance and the Senior Management Team's performance against expectations, in both short and long term
- Appropriate available information on pay policies and practices in other organisations that can inform the decision on whether a level of pay is fair and reasonable. This has been achieved through using independent salary surveys, such as Croners, as well as carrying out local and national pay comparisons with other private, public and charitable organisations, including other hospices
- In 2022/23 we undertook our usual benchmarking exercise to compare our salaries against the NHS for clinical staff and also the wider commercial, public and private sector for our non-clinical staff. As a result of these reviews pay for some of our clinical and non-clinical staff was updated. A review is now undertaken each year and salaries adjusted where necessary

In addition to the points listed previously and in accordance with the Statement of Recommended Practice (SORP), St Luke's Hospice Plymouth, within our audited and published annual report and accounts, discloses the number of employees whose remuneration exceeds £60,000.

With a Senior Management Team pay scale established and with the performance of the SMT formally reviewed on an annual basis against set objectives, the Trustees of St Luke's Hospice Plymouth are satisfied that there is appropriate, robust, transparent and fair remuneration in place for its Senior Management Team.

EMPLOYEE INVOLVEMENT

There is a successful cascade of information through the organisation from SMT (Senior Management Team), SLT (Senior Leadership Team) and OMG (Organisational Management Group) to teams, including financial and other performance information.

An established communication network across the wider organisation includes Intranet and TV screens, with email and text messages used to deliver key messages. Development work has commenced on the Intranet to provide more information, particularly around cost-of-living issues, health and wellbeing, benefits, and general engagement. A summary of all information referred to, plus any events, recognitions, new starters and leavers, is provided in a People Experience Update, shared electronically, and printed for those areas with limited access to a PC.

Staff consultation is undertaken via staff surveys, with results and comments used to address issues arising, as well as health and wellbeing surveys, feedback from SLT, OMG, Health and Wellbeing Steering Group and Employee Voice Forum (EVF) reflecting views from within teams and anything that has a wider impact.

There is also the opportunity for staff to interact through the Recognition App on the front page of the Intranet. Individuals or teams can acknowledge valuable input or support provided for each other, whether through an everyday activity or a specific event, citing the impact and aligning them to our values. Cards sent to the individual or team recognised have been well received. This has generated enthusiasm and real appreciation across the organisation, with the use of the app increasing three-fold over 12 months. This information can be reported on and reviewed.

The Engagement Intranet page also enables individuals to share their experiences and ideas through an open forum. This is newly created, and momentum is building.

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Employee Voice Forum continues to provide useful feedback, along with the Health and Wellbeing Steering Group. Following an Equality, Diversity and Inclusion audit we will be considering the implementation of employee resource groups. A Volunteer Forum is established, and work is underway to resurrect this in the most beneficial way, post Covid.

Other engagement activities have been and are continually being developed, including:

- Welcome card for managers to give to new starters
- Welcome packs for new starters, including branded bag, drink bottle, biscuits and tea/coffee. Feedback will be sought on whether these are well received and should continue
- Picnic blankets for team members' use to encourage regular breaks outside in good weather
- Various events on the hospice grounds and elsewhere to recognise everyone's efforts

Valuing Each Other: Leadership Development Programme, our brand-new personal development programme for our charity's leaders, line managers, aspiring leaders and anyone else with an interest in personal development, has been created in collaboration with South West Leadership Academy and launched in May, with two face-to-face days, followed by action learning for two weeks, followed by a third in-person day.

This was created to recognise that our people are our most valuable asset, and in response to feedback from our staff about investing in personal development. The aim of Valuing Each Other is to strengthen the trust among peers, empower colleagues and support managers to have heartfelt conversations, as well as create spaces to listen and reflect on how their teams are feeling and performing.

Feedback has been really positive, with every participant saying they learned something new and valuable that they are keen to bring to their work at St Luke's as well as incorporate into their relationships in general.

Leadership Walkarounds have been introduced, giving SMT and Trustees the opportunity to hear directly from front line staff.

FUNDRAISING PRACTICES

St Luke's Hospice Plymouth is registered with the Fundraising Regulator and adheres fully with the Code of Fundraising Practice. We are registered with the Gambling Commission for the delivery of our lottery and raffle and have a remote and non-remote operating licence.

There have been two incidents that were reportable to the Gambling Commission, these have now been resolved. We encourage all supporters or beneficiaries to contact us with any comment or complaint, in the first instance to the St Luke's team member responsible for the area of concern and then through our comments and complaints procedures, as published on our website. In the last year there have been two reported incidents, seven complaints and no concerns raised in regard to fundraising and lottery.

We monitor incidents, complaints and concerns through a central database, managed by the Head of Quality & Compliance. The Commercial Director and Head of Fundraising are automatically notified of all occurrences and data is reported to the Senior Management and Senior Leadership Teams at monthly meetings.

During the year we used Engage & Connect Ltd based in Shropshire, two self-employed canvassers and remote telesales canvassers based in Plymouth, as well as self-employed and voluntary collectors. All third-party fundraisers are signed up to an annual contract and rigid fundraising standards. Failure to comply with any contractual or regulatory standards are investigated in line with the Lottery Policy and the hospice's own procedures. All fundraisers have returned to weekly monitoring and monthly visits now that lottery canvassing has recommenced.

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

We believe in the highest possible standards for our fundraising, considering supporters' preferences in all of our activity, ensuring that all of our activity is compliant with regulatory standards and in line with the intent of those standards.

PERSONAL DATA

St Luke's has responded to the introduction of GDPR and refreshed all supporter consents and privacy statements to ensure compliance. The new regulation came into force in May 2018.

St Luke's does not sell any personal data of any kind to any third parties, nor do we share supporter or beneficiary data for marketing purposes. We do share information with organisations working on our behalf to deliver services that supporters and beneficiaries have requested and always inform the supporter or beneficiary of what we are doing.

PROTECTING VULNERABLE PEOPLE AND OTHERS

St Luke's has robust practices that ensure we do not undertake any intrusive fundraising activity. We may from time to time undertake a telephone campaign or mailing. All campaigns are undertaken using telephone and mailing preference services and we ensure that within one year no person will receive what could be considered an intrusive or excessive number of contacts.

Existing supporters receive communications and contacts from St Luke's based upon their personal preferences shared with us or where relevant under legitimate interest.

PLANS FOR FUTURE PERIODS

We are entering into a period of great uncertainty with an unsettled economy and having to operate within an ever-increasing challenged health and social care system. We must continue to be able to adapt to the changing world to ensure we are sustainable for the future, while maintaining quality of care at the heart of what we do. To assist us in that goal, some of the actions we will be undertaking are listed below:

- We will develop and deliver a clear plan to respond to the Care Quality Commission (CQC) new regulatory regime, ensuring we are in the best place possible for any external inspections
- We will continue to engage with the Devon ICS to contribute to the development of a system-wide End of Life Care Strategy post commissioning review and ensure that our potential role in achieving this is well understood
- We will strengthen our patient safety culture through a consistent approach to system thinking, quality improvement and governance
- Following our independent review of Equalities, Diversity and Inclusion (EDI) we will develop and implement a plan to address recommendations from the review
- We will continue to develop and deliver a comprehensive programme of activities to promote and support staff health and wellbeing
- We will fully implement our organisational approach to workforce planning to enable us to develop an overarching costed plan for the next five years that sets out the key challenges and priorities for the organisation
- We will build on our use of internal business intelligence to enhance reporting to support effective oversight and decision making across the organisation and will implement a revision of our balance scorecard to ensure visibility and assurance to the Board
- We will develop our environmental policy with a plan, including timeframes, to become environmentally sustainable
- We will continue our focus on maximising our existing income generation streams and ensuring our new incomes ventures, under the umbrella of our b.kinda brand, are being reviewed against agreed milestones to maximise their opportunity for becoming a sustainable source of income for us into the future.

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

RESERVES POLICY

The Board adopts a risk-based approach. As a mature organisation with a variety of established, albeit volatile, income streams and predictable and well-planned expenditure, the trustees consider it most appropriate for the hospice to operate a reserves policy centred on an analysis of the potential risks to the amounts of those income streams and of the potential risks of over expenditure. The risks to the hospice's key income and expenditure lines are therefore estimated in order to quantify the reserves that are required, giving the total risk reserve requirement.

From this risk-based exercise, and in light of the new income risks arising from the two new fledgling b.kinda ventures of clothing mystery boxes and the new coffee shop which have challenging income targets within the 2023/24 budget, the trustees determined that the hospice requires a risk reserve of £3.3m for 2023/24, (£3.1m 2022/23). Our usual level of risk reserves pre Covid was £2.6m.

Any level of reserves in excess of the risk reserve requirement will be designated to ensure sustainability and develop new and improved services in line with the needs and preferences of patients living with, and dying from, advanced incurable illness. Following unexpectedly successful financial years, reserves spending has stepped up and has included investing in our Turnchapel site to ensure it meets the new agile working needs of our workforce.

Reserves have provided funding for our Transformation Programme in which we have revised some of our team structures and successfully delivered our ambition to relocate all staff to our one Turnchapel site, through the reconfiguration of the building. This has been assisted by the continuation of staff working on an agile basis, which proved successful during the pandemic.

We continue our plans to spend our reserves in the next few years in various areas, including our two-year pilot expansion of our Hospital Team service to increase its reach and to improve the education of staff working at the acute trust in end of life care, as well as an integrated care trial to improve the discharge of patients from the hospice to ongoing care. We are also investing our reserves in work to better understand our data, both internal and external. The results will help inform our strategic plans to address any unmet need in the area we serve. Further designated spending plans include the set aside of £1m to enhance clinical co-ordination. We have had some discussions with commissioners around funding and extending our current model of co-ordination to incorporate the last year of life rather than just the last three months of life as it currently sits, subject to a proof of concept. With such a model we would be able to help prevent EOL patients going into hospital in the first place and for those who end up being admitted, being able to facilitate rapid discharge.

INVESTMENT / TREASURY MANAGEMENT POLICY

An investment policy is in place which is reviewed annually by the Board of Trustees. St Luke's keeps reserves in excess of working capital requirements in line with its reserves policy and, in line with the hospice's investment policy, these funds are invested. The trustees have appointed Brewin Dolphin as their agent to manage a diverse portfolio of suitable investments, taking into consideration the risk appetite of the charity as well as ethical requirements including the non-investment in tobacco related products as well as social and ethical considerations. The trustees have selected an investment objective of a balance between income and capital growth. Global investment markets have seen a sustained period of economic volatility and we work closely with Brewin Dolphin to manage these risks as well as taking up opportunities for income and capital growth. Due to successful financial years during the pandemic, we invested a further £500,000 in 2021/22 with Brewin Dolphin and are encouraged to report that the value of investments at the year-end was £2,664,369. A loss of £117,548 was recognised in the accounts for 2022/23 in relation to our managed investments (2022 – gain £58,259).

As part of our wider Treasury Management Policy, we have over the last two years invested in residential property as part of our legacy income opportunities. Where we have been in the fortunate position of being the full beneficiaries of some estates and property, instead of realising the cash value of the properties, we

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

have decided to retain them and rent out as residential lets. In the past two years where interest rates have been low, this has proved beneficial, as rental income was far greater than interest rates. However, with interest rates now higher, we are taking each property on a case-by-case basis. As at 31 March 2023, we held two residential properties at a value of £762,000 with another two properties currently going through probate prior to being transferred to the charity.

GOING CONCERN

We believe that the charity's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the charity's needs.

Following the Covid pandemic and the uncertainty that exists across the economy, we have reported very strong signs of recovery in our retail and fundraising efforts, and we expect these areas to continue to recover over the medium term. Our Transformation Programme where all staff, apart from shops staff, are located at the Turnchapel site instead of the previous three sites, has successfully reduced our overheads. Although staffing costs are growing significantly and putting pressure on our cost base and hence our ability to operate within our income levels, there are sufficient reserves to act as a contingency fund.

We are predicting three years of deficits, growing from the 2023/24 £775,000 budgeted deficit to more than £1m in the following two years. However, a Financial Sustainability Plan has been created which aims to bring the hospice into a break-even position by 2025.

It is for these reasons the trustees consider the going concern basis to be appropriate.

Each of the persons who are trustees at the time when this Trustees' Report is approved has confirmed that, so far as the trustee is aware, there is no relevant audit information of which the company's auditors are unaware, and the trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

THE AUDITORS

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office.

CONCLUSION

Finally, the Board would like to take this opportunity to thank all the Trustees, the Senior Management team and staff, and the 595 volunteers, all of whom are dedicated to the charity, and who work so hard and contribute to its success. The Trustees' Report, incorporating the Strategic Report, was approved by the Board, and signed on its behalf by



Mr C Hackett
(Chair of Trustees)

Date: 18/10/2023

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2023**

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

Company law requires the Trustees to prepare financial statements for each financial year. 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 Group and the Company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the Board of Trustees and signed on its behalf by:



Mr C Hackett
(Chair of Trustees)
Date: 18/10/2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST. LUKE'S HOSPICE PLYMOUTH

OPINION

We have audited the financial statements of St. Luke's Hospice Plymouth (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST. LUKE'S HOSPICE PLYMOUTH
(CONTINUED)**

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

OPINION 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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST. LUKE'S HOSPICE PLYMOUTH
(CONTINUED)**

AUDITORS' 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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- We have considered the nature of the sector, control environment and financial performance;
- We have considered the results of enquiries with management and trustees in relation to their own identification and assessment of the risk of irregularities within the group; and
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation;
- We have identified any matters having obtained and reviewed the Group's documentation of their policies and procedures relating to:
 - Identifying, evaluation and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - The internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to income recognition, with a particular risk in relation to year-end cut off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities Act 2011, Charity SORP 2019, FRS 102 and the terms and conditions attaching to material grants received by the Group. In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or avoid a material penalty. These included the Health & Social Care Act, data protection regulations, health and safety regulations, employment legislation, the Code of Fundraising Practice and gambling legislation.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing board meeting minutes;
- Enquiring of management in relation to actual and potential claims or litigations;
- Performing detailed transactional testing in relation to the recognition of income, specifically grants and legacies, with a particular focus around year-end cut off; and

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST. LUKE'S HOSPICE PLYMOUTH
(CONTINUED)**

- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

As a result of the inherent limitations of an audit, there is a risk that not all irregularities, including a material misstatement in financial statements or non-compliance with regulation, will be detected by us. The risk increases the further removed compliance with a law and regulation is from the events and transactions reflected in the financial statements, given we will be less likely to be aware of it, or should the irregularity occur as a result of fraud rather than a one-off error, as this may involve intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' 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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Bishop Fleming LLP

Pamela Tuckett FCA DChA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

Salt Quay House

4 North East Quay

Sutton Harbour

Plymouth

PL4 0BN

Date: 23/10/23

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
INCOME FROM:					
Donations and legacies	3	3,565,360	41,740	3,607,100	2,973,043
Charitable activities	4	3,000,268	258,003	3,258,271	3,710,782
Other trading activities	5	4,820,386	-	4,820,386	4,229,060
Investments	6	203,109	-	203,109	107,128
Other income		-	-	-	941,095
TOTAL INCOME		11,589,123	299,743	11,888,866	11,961,108
EXPENDITURE ON:					
Raising funds		4,805,916	30,986	4,836,902	4,009,776
Charitable activities	7	6,633,529	194,254	6,827,783	6,240,708
TOTAL EXPENDITURE		11,439,445	225,240	11,664,685	10,250,484
NET INCOME BEFORE NET (LOSSES)/GAINS ON INVESTMENTS					
		149,678	74,503	224,181	1,710,624
Net (losses)/gains on investments		(89,672)	-	(89,672)	148,259
NET INCOME		60,006	74,503	134,509	1,858,883
Transfers between funds	19	20,393	(20,393)	-	-
NET MOVEMENT IN FUNDS		80,399	54,110	134,509	1,858,883
RECONCILIATION OF FUNDS:					
Total funds brought forward		13,694,973	70,613	13,765,586	11,906,703
Net movement in funds		80,399	54,110	134,509	1,858,883
TOTAL FUNDS CARRIED FORWARD		13,775,372	124,723	13,900,095	13,765,586

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 31 to 58 form part of these financial statements.

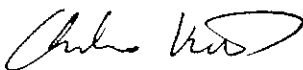
**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:01505753**

**CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023**

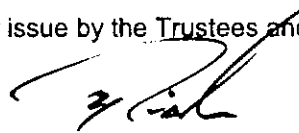
	Note	2023 £	2022 £
FIXED ASSETS			
Intangible assets	12	141,112	43,514
Tangible assets	13	2,558,722	2,023,252
Investments	15	2,664,369	2,733,375
Investment property	14	762,000	430,000
		6,126,203	5,230,141
CURRENT ASSETS			
Stocks		46,440	38,279
Debtors	16	1,583,416	1,700,050
Cash at bank and in hand	23	7,135,334	7,872,514
		8,765,190	9,610,843
Creditors: amounts falling due within one year	17	(778,673)	(896,398)
		7,986,517	8,714,445
NET CURRENT ASSETS		7,986,517	8,714,445
TOTAL ASSETS LESS CURRENT LIABILITIES		14,112,720	13,944,586
Provisions for liabilities	18	(212,625)	(179,000)
TOTAL NET ASSETS		13,900,095	13,765,586
CHARITY FUNDS			
Restricted funds	19	124,723	70,613
Unrestricted funds	19	13,775,372	13,694,973
TOTAL FUNDS		13,900,095	13,765,586

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Mr C Hackett
(Chair of Trustees)
Date: 18/10/2023



Mr M Risdon
(Treasurer)

The notes on pages 31 to 58 form part of these financial statements.

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:01505753**

**COMPANY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 £	2022 £
FIXED ASSETS			
Intangible assets	12	141,112	43,514
Tangible assets	13	2,558,722	2,023,252
Investments	15	2,664,371	2,733,377
Investment property	14	762,000	430,000
		<u>6,126,205</u>	<u>5,230,143</u>
CURRENT ASSETS			
Stocks		50	180
Debtors	16	1,621,220	1,746,621
Cash at bank and in hand	23	6,808,695	7,652,230
		<u>8,429,965</u>	<u>9,399,031</u>
Creditors: amounts falling due within one year	17	(755,819)	(1,118,460)
		<u>7,674,146</u>	<u>8,280,571</u>
NET CURRENT ASSETS		7,674,146	8,280,571
TOTAL ASSETS LESS CURRENT LIABILITIES		13,800,351	13,510,714
Provisions for liabilities	18	(212,625)	(179,000)
TOTAL NET ASSETS		13,587,726	13,331,714
CHARITY FUNDS			
Restricted funds	19	124,723	70,613
Unrestricted funds	19	13,463,003	13,261,101
TOTAL FUNDS		13,587,726	13,331,714

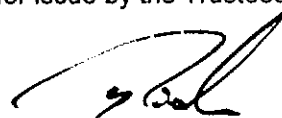
The Company's net movement in funds for the year was £256,012 (2022 - £1,867,936).

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Mr C Hackett
(Chair of Trustees)
Date: 18/10/2023



Mr M Risdon
(Treasurer)

The notes on pages 31 to 58 form part of these financial statements.

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023**

	2023	2022
	£	£
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash provided by operating activities	118,632	1,781,431
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends, interests and rents from investments	137,755	107,128
Proceeds from the sale of tangible fixed assets	36,912	723,406
Purchase of intangible assets	(117,433)	(48,694)
Purchase of tangible fixed assets	(913,046)	(167,916)
Proceeds from sale of investments	-	513,110
Purchase of investments	-	(852,014)
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES	(855,812)	275,020
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of borrowing	-	(306,750)
Loan interest paid	-	(9,075)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES	-	(315,825)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR	(737,180)	1,740,626
Cash and cash equivalents at the beginning of the year	7,872,514	6,131,888
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	7,135,334	7,872,514

The notes on pages 31 to 58 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

St. Luke's Hospice Plymouth meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Statement of Financial Position consolidate the financial statements of the Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Group 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 these financial statements.

1.2 GOING CONCERN

We believe that the charity's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the charity's needs.

Following the Covid pandemic and the uncertainty that exists across the economy, we have reported very strong signs of recovery in our retail and fundraising efforts, and we expect these areas to continue to recover over the medium term. Our Transformation Programme where all staff, apart from shops staff, are located at the Turnchapel site instead of the previous three sites, has successfully reduced our overheads. Although staffing costs are growing significantly and putting pressure on our cost base and hence our ability to operate within our income levels, there are sufficient reserves to act as a contingency fund.

Further information regarding the hospice's future financial strategies and forecasts are contained in the trustees report.

1.3 INCOME

All income is recognised once the group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the group has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the group, can be reliably measured.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. ACCOUNTING POLICIES (continued)

1.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

1.5 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 TAXATION

The Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.7 INTANGIBLE ASSETS AND AMORTISATION

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following bases:

Computer software	-	% 33%
Computer software under construction	-	% Not amortised until brought into use

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. ACCOUNTING POLICIES (continued)

1.8 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 4-7%
Equipment and furniture	- 10-33%
Motor vehicles	- 14-33%
Assets under construction	- Not depreciated

1.9 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

1.10 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.11 DEBTORS

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

1.12 CASH AT BANK AND IN HAND

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

1.13 LIABILITIES

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. ACCOUNTING POLICIES (continued)

1.14 PROVISIONS

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event which is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.15 FINANCIAL INSTRUMENTS

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

1.16 OPERATING LEASES

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

1.17 PENSIONS

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

The Group is a member of a multi-employer plan. Where it is not possible for the Group to obtain sufficient information to enable it to account for the plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

1.18 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 the Group and which have not been designated for other purposes.

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group 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, gains and losses are allocated to the appropriate fund.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

Provisions are made for shop dilapidation and costs required. This is a critical estimate and subject to management estimates and judgements of the future costs.

Management exercise judgement in the recognition of income from legacies. Judgement is applied to establish entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable.

3. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Donations	1,766,591	41,740	1,808,331
Legacies	1,798,769	-	1,798,769
	<u>3,565,360</u>	<u>41,740</u>	<u>3,607,100</u>
	<u>3,565,360</u>	<u>41,740</u>	<u>3,607,100</u>
	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Donations	1,411,050	32,418	1,443,468
Legacies	1,519,575	10,000	1,529,575
	<u>2,930,625</u>	<u>42,418</u>	<u>2,973,043</u>
	<u>2,930,625</u>	<u>42,418</u>	<u>2,973,043</u>

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
NHS Basic Funding	2,824,665	-	2,824,665
End of Life Care Education Projects	-	89,249	89,249
Other Income	175,603	178,327	353,930
COVID Relief grants	-	-	-
Hospice UK grants	-	(9,573)	(9,573)
TOTAL 2023	3,000,268	258,003	3,258,271

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
NHS Basic Funding	2,718,554	-	2,718,554
End of Life Care Education Projects	-	87,157	87,157
Other Income	285,999	101,736	387,735
COVID Relief Grants	112,005	4,606	116,611
Hospice UK grants	-	400,725	400,725
TOTAL 2022	3,116,558	594,224	3,710,782

5. INCOME FROM OTHER TRADING ACTIVITIES

Income from non charitable trading activities

	Unrestricted funds 2023 £	Total funds 2023 £
Shops/ bkinda	4,059,612	4,059,612
Sale of assets	15,876	15,876
Lottery	744,898	744,898
	4,820,386	4,820,386

**ST. LUKE'S HOSPICE PLYMOUTH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

5. INCOME FROM OTHER TRADING ACTIVITIES (CONTINUED)

Income from non charitable trading activities (CONTINUED)

	Unrestricted funds 2022 £	Total funds 2022 £
Shops	3,103,969	3,103,969
Sale of assets	448,866	448,866
Lottery	676,225	676,225
	<u>4,229,060</u>	<u>4,229,060</u>

6. INVESTMENT INCOME

	Unrestricted funds 2023 £	Total funds 2023 £
Income from property	30,407	30,407
Investment income - other investments	65,354	65,354
Interest receivable and similar income	107,348	107,348
	<u>203,109</u>	<u>203,109</u>

	Unrestricted funds 2022 £	Total funds 2022 £
Income from property	56,085	56,085
Investment income - other investments	45,389	45,389
Interest receivable and similar income	5,654	5,654
	<u>107,128</u>	<u>107,128</u>

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
In Patient Care	3,282,059	1,978	3,284,037
Community Services	2,474,947	28,292	2,503,239
Hospital Services and Medical Operations	560,691	(460)	560,231
Education	315,832	164,444	480,276
	<u>6,633,529</u>	<u>194,254</u>	<u>6,827,783</u>

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
In Patient Care	2,755,140	202,241	2,957,381
Community Services	2,092,832	155,544	2,248,376
Hospital Services and Medical Operations	499,310	35,326	534,636
Education	320,072	180,243	500,315
	<u>5,667,354</u>	<u>573,354</u>	<u>6,240,708</u>

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
In Patient Care	2,920,103	363,934	3,284,037
Community Services	2,086,560	416,679	2,503,239
Hospital Services and Medical Operations	425,217	135,014	560,231
Education	309,018	171,258	480,276
	<u>5,740,898</u>	<u>1,086,885</u>	<u>6,827,783</u>

**ST. LUKE'S HOSPICE PLYMOUTH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
In Patient Care	2,641,645	315,736	2,957,381
Community Services	1,884,722	363,654	2,248,376
Hospital Services and Medical Operations	411,722	122,914	534,636
Education	351,585	148,730	500,315
	<u>5,289,674</u>	<u>951,034</u>	<u>6,240,708</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

Support costs are allocated on the following basis: costs are allocated directly where possible for all management, finance, IT and HR spend, and the remaining are apportioned on the basis of time spent across each of the charitable and income generation services, whilst HR support costs are apportioned on the basis of the number of personnel in each area of charitable and income generation activity.

	2023	2022
	£	£
Cost of raising funds		
Shops	344,880	254,260
Lottery	49,551	36,906
bkinda	53,956	-
Fundraising and publicity	337,737	207,373
Investment and other	42,537	40,629
	828,661	539,168
Charitable activities		
In patient care	287,187	254,744
Community services	308,410	276,225
Hospital services and medical ops	80,879	79,199
Education	105,817	96,377
	782,293	706,545
Governance costs		
Audit & accountancy	29,479	25,920
Legal and professional	6,754	13,504
Other	335,062	266,078
	371,295	305,502

9. AUDITORS' REMUNERATION

The auditors' remuneration for the group amounts to an auditor fee of £17,150 (2022 - £15,690), and non-audit services of £7,150 (2022 - £9,960).

**ST. LUKE'S HOSPICE PLYMOUTH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

10. STAFF COSTS

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Wages and salaries	6,981,537	6,243,137	6,872,891	6,180,316
Social security costs	612,723	518,943	605,332	515,319
Contribution to defined contribution pension schemes	697,644	580,074	690,417	575,958
	8,291,904	7,342,154	8,168,640	7,271,593

During the year, termination payments (i.e. redundancies) amounting to £Nil (2022: £40,377) were paid in the year. The amounts are included in wages and salaries in the table above.

The average number of persons employed by the Group and Company during the year was as follows:

	Group 2023 No.	Group 2022 No.	Company 2023 No.	Company 2022 No.
Clinical and direct care	121	118	121	118
Direct support	39	37	39	37
Office and administration	48	47	48	46
Fund generating teams	92	82	86	78
	300	284	294	279

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2023 No.	Group As restated 2022 No.
In the band £60,001 - £70,000	3	1
In the band £70,001 - £80,000	-	1
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-

Total remuneration (including employers national insurance and pension contributions) paid to key management personnel of the Group, comprising of the Senior Management Team, amounted to £333,007 (2022: £272,974) for the year. The Senior Management Team was made up of 5 personnel (2022: 4 personnel) in the year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 March 2023, no Trustee expenses have been incurred (2022 - £NIL).

12. INTANGIBLE ASSETS

GROUP AND COMPANY

	Computer software £	Computer software in development £	Total £
COST			
At 1 April 2022	15,541	33,153	48,694
Additions	31,699	85,734	117,433
Transfers between classes	55,587	(55,587)	-
	<u>102,827</u>	<u>63,300</u>	<u>166,127</u>
At 31 March 2023			
AMORTISATION			
At 1 April 2022	5,180	-	5,180
Charge for the year	19,835	-	19,835
	<u>25,015</u>	<u>-</u>	<u>25,015</u>
At 31 March 2023			
NET BOOK VALUE			
	<u>77,812</u>	<u>63,300</u>	<u>141,112</u>
At 31 March 2023			
	<u>10,361</u>	<u>33,153</u>	<u>43,514</u>
At 31 March 2022			

**ST. LUKE'S HOSPICE PLYMOUTH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

13. TANGIBLE FIXED ASSETS

GROUP AND COMPANY

	Freehold property £	Equipment and furniture £	Motor vehicles £	Assets under construction £	Total £
COST					
At 1 April 2022	6,636,156	1,438,123	45,091	37,304	8,156,674
Additions	38,265	159,785	-	714,996	913,046
Disposals	(60,000)	(299,536)	(3,173)	-	(362,709)
Transfers between classes	658,231	71,602	-	(729,833)	-
At 31 March 2023	<u>7,272,652</u>	<u>1,369,974</u>	<u>41,918</u>	<u>22,467</u>	<u>8,707,011</u>
DEPRECIATION					
At 1 April 2022	4,828,300	1,260,437	44,685	-	6,133,422
Charge for the year	264,903	91,231	406	-	356,540
On disposals	(39,600)	(298,900)	(3,173)	-	(341,673)
At 31 March 2023	<u>5,053,603</u>	<u>1,052,768</u>	<u>41,918</u>	<u>-</u>	<u>6,148,289</u>
NET BOOK VALUE					
At 31 March 2023	<u>2,219,049</u>	<u>317,206</u>	<u>-</u>	<u>22,467</u>	<u>2,558,722</u>
At 31 March 2022	<u>1,807,856</u>	<u>177,686</u>	<u>406</u>	<u>37,304</u>	<u>2,023,252</u>

**ST. LUKE'S HOSPICE PLYMOUTH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

14. INVESTMENT PROPERTY

GROUP AND COMPANY

	Freehold Investment property £
VALUATION	
At 1 April 2022	430,000
Additions	304,124
Surplus on revaluation	27,876
At 31 March 2023	762,000

The investment property was independently valued in 2023. The Trustees have revalued the investment property in the year based on their knowledge and experience of the current market conditions.

**ST. LUKE'S HOSPICE PLYMOUTH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

15. FIXED ASSET INVESTMENTS

GROUP	Listed investments £
COST OR VALUATION	
At 1 April 2022	2,733,375
Additions	700,182
Disposals	(498,431)
Revaluations	(270,757)
AT 31 MARCH 2023	2,664,369
NET BOOK VALUE	
AT 31 MARCH 2023	2,664,369
AT 31 MARCH 2022	2,733,375

COMPANY	Investments in subsidiary companies £	Listed investments £	Total £
COST OR VALUATION			
At 1 April 2022	2	2,733,375	2,733,377
Additions	-	700,182	700,182
Disposals	-	(498,431)	(498,431)
Revaluations	-	(270,757)	(270,757)
AT 31 MARCH 2023	2	2,664,369	2,664,371
NET BOOK VALUE			
AT 31 MARCH 2023	2	2,664,369	2,664,371
AT 31 MARCH 2022	2	2,733,375	2,733,377

**ST. LUKE'S HOSPICE PLYMOUTH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

16. DEBTORS

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
DUE AFTER MORE THAN ONE YEAR				
Amounts owed by group undertakings	-	-	50,000	50,000
DUE WITHIN ONE YEAR				
Trade debtors	187,957	279,425	187,957	279,425
Other debtors	189,526	109,213	181,280	109,213
Prepayments and accrued income	1,153,550	1,262,368	1,149,600	1,258,939
Tax recoverable	52,383	49,044	52,383	49,044
	1,583,416	1,700,050	1,621,220	1,746,621

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade creditors	166,408	248,649	155,767	243,422
Amounts owed to group undertakings	-	-	76,048	339,913
Other taxation and social security	141,373	145,024	137,446	131,305
Other creditors	86,146	70,274	84,554	69,885
Accruals and deferred income	384,746	432,451	302,004	333,935
	778,673	896,398	755,819	1,118,460

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

18. PROVISIONS

GROUP AND COMPANY

	Dilapidation provision £
At 1 April 2022	179,000
Additions	39,250
Amounts reversed	(5,625)
	<u>212,625</u>

Provisions are made for the repairs, maintenance and rectification of shop premises held by the Group. The timing of the payments required are linked to the individual shop leases. The amounts have been estimated based on the known works that would be required if premises were returned in present condition, and values have been calculated by the premises team of the Group, along with guidance from a firm of quantity surveyors.

**ST. LUKE'S HOSPICE PLYMOUTH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

19. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Fixed Asset Fund	1,986,769	-	(376,734)	1,009,574	-	2,619,609
Investment Revaluation Reserve	636,228	-	-	(74,601)	(89,672)	471,955
Income Generation Reserve	351,025	-	(81,470)	(34,900)	-	234,655
Building Facilities Reserve	133,057	-	(4,610)	(13,982)	-	114,465
Legacies Reserve	1,000,000	-	-	-	-	1,000,000
Invest to save Fund	696,505	-	(33,591)	(653,355)	-	9,559
Revenue Reserve	3,100,000	-	-	200,000	-	3,300,000
Case for Change / Quality agenda	150,000	-	(44,914)	100,000	-	205,086
Compassionate Communities Development	50,000	-	(31,972)	-	-	18,028
Data project	100,000	-	(1,800)	-	-	98,200
LMS Replacement	20,000	-	-	(20,000)	-	-
Hospital Team Expansion	104,000	-	-	-	-	104,000
Integrated Care Trial	70,000	-	(14,817)	-	-	55,183
Organisational Development Initiatives	-	-	-	55,000	-	55,000
Clinical Co-ordination Reserve	-	-	-	1,000,000	-	1,000,000
Spiritual / Psychosocial	-	-	-	30,000	-	30,000
IT System Improvements Fund	-	-	-	150,000	-	150,000
Staff support scheme	-	-	-	200,000	-	200,000
Sustainability Reserve	-	-	-	50,000	-	50,000
Pay reserve	-	-	-	510,000	-	510,000
	8,397,584	-	(589,908)	2,507,736	(89,672)	10,225,740

**ST. LUKE'S HOSPICE PLYMOUTH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

19. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
GENERAL FUNDS						
General funds	5,476,389	11,628,373	(10,855,162)	(2,487,343)	-	3,762,257
Dilapidation provision	(179,000)	(39,250)	5,625	-	-	(212,625)
	<u>5,297,389</u>	<u>11,589,123</u>	<u>(10,849,537)</u>	<u>(2,487,343)</u>	<u>-</u>	<u>3,549,632</u>
TOTAL UNRESTRICTED FUNDS	<u>13,694,973</u>	<u>11,589,123</u>	<u>(11,439,445)</u>	<u>20,393</u>	<u>(89,672)</u>	<u>13,775,372</u>
RESTRICTED FUNDS						
Other Funds	15,299	32,731	(22,209)	(20,393)	-	5,428
Project Funds	55,314	267,012	(203,031)	-	-	119,295
	<u>70,613</u>	<u>299,743</u>	<u>(225,240)</u>	<u>(20,393)</u>	<u>-</u>	<u>124,723</u>
TOTAL OF FUNDS	<u>13,765,586</u>	<u>11,888,866</u>	<u>(11,664,685)</u>	<u>-</u>	<u>(89,672)</u>	<u>13,900,095</u>

**ST. LUKE'S HOSPICE PLYMOUTH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

19. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Fixed Asset Fund	2,448,069	-	(386,784)	(74,516)	-	1,986,769
Income Generation Reserve	200,000	-	(48,975)	-	-	151,025
Building Facilities Reserve	133,057	-	-	-	-	133,057
Legacies Reserve	1,000,000	-	-	-	-	1,000,000
Projects / Invest to save Fund	764,074	-	(42,524)	(25,045)	-	696,505
Revenue Reserve	3,700,000	-	-	(600,000)	-	3,100,000
Case for Change / Quality agenda	150,000	-	-	-	-	150,000
Compassionate Communities Development	50,000	-	-	-	-	50,000
Data project	100,000	-	-	-	-	100,000
Income Generation Start Up Funds	-	-	-	200,000	-	200,000
LMS Replacement	-	-	-	20,000	-	20,000
Hospital Team Expansion	-	-	-	104,000	-	104,000
Integrated Care Trial	-	-	-	70,000	-	70,000
Investment Revaluation Reserve	611,170	-	-	(123,201)	148,259	636,228
	9,156,370	-	(478,283)	(428,762)	148,259	8,397,584

**ST. LUKE'S HOSPICE PLYMOUTH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

19. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
GENERAL FUNDS						
General funds	2,919,439	11,324,466	(9,184,708)	417,192	-	5,476,389
Dilapidation provision	(220,125)	-	-	41,125	-	(179,000)
	<u>2,699,314</u>	<u>11,324,466</u>	<u>(9,184,708)</u>	<u>458,317</u>	<u>-</u>	<u>5,297,389</u>
TOTAL UNRESTRICTED FUNDS	<u>11,855,684</u>	<u>11,324,466</u>	<u>(9,662,991)</u>	<u>29,555</u>	<u>148,259</u>	<u>13,694,973</u>
RESTRICTED FUNDS						
Other Funds	29,191	443,250	(430,300)	(26,842)	-	15,299
Project Funds	21,828	193,392	(157,193)	(2,713)	-	55,314
	<u>51,019</u>	<u>636,642</u>	<u>(587,493)</u>	<u>(29,555)</u>	<u>-</u>	<u>70,613</u>
TOTAL OF FUNDS	<u><u>11,906,703</u></u>	<u><u>11,961,108</u></u>	<u><u>(10,250,484)</u></u>	<u><u>-</u></u>	<u><u>148,259</u></u>	<u><u>13,765,586</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

19. STATEMENT OF FUNDS (CONTINUED)

The positive financial result for the year ending 31/3/23 has resulted in reserves increasing by £135k in the year. As explained in the financial review, this was due to the strong results from retail and legacy income which offset the charity's rising operating costs. We are mindful of the requirement to spend excess reserves to meet our charitable objectives and so spending plans have been formulated, which will be driven by our strategic aims.

Designated Funds

The Revenue Reserve represents the minimum free reserves required by the Hospice, taking into account the potential risks to income streams and of the potential risks to expenditure over a two-year period. Reserves in excess of the minimum level of expenditure may be designated to develop new and improved services in line with the needs and preferences of patients living with and dying from advanced incurable illness. Within the period the trustees have designated a further £2.1m to fund projects in line with the strategic aims of the organisation. Designated funds are held for the following purposes:

The Fixed Asset Fund is held at a level equivalent to the net book value of the depreciable fixed assets owned by the Hospice in order to fund future depreciation costs. The movement in the year therefore mirrors the movement in the fixed assets for the period, which covers additions, disposals and the related depreciation transactions.

The Income Generation Ventures Reserve: This reserve was set up in 2017/18 to invest in feasibility studies for new sustainable income streams. The Income Generation Committee has made significant progress in this area with the launch of the b.kinda mystery box enterprise which started trading in June 2022 and our first coffee shop is undergoing fit out in Plympton, with an anticipated opening date sometime in the Autumn of 2023.

The Building Facilities Reserve: Previously, all repairs were absorbed within the annual revenue budgets of the organisation. It is considered prudent to set aside funds for cyclical and emergency repairs to buildings and facilities. Large items such as annual painting programmes and large maintenance programmes will be funded from this reserve.

The Legacies Reserve: The Legacy Smoothing Reserve was set up to designate funds to mitigate the specific risk around this income stream. The reason the Hospice has removed the risk around legacy income from its Annual Risk Reserve Requirement to a specific Legacy Smoothing Reserve is because if legacies were to be reduced or stop altogether then the organisation could not take any management action to remedy this in the short to medium term. A significant drop in legacy income would present a unique set of circumstances to the Hospice in that, if retail or fundraising income were to dip, the organisation would be able to take management action to address this i.e. close or open shops, sell different goods or organise different events. However, if legacy income were to reduce the Charity could not influence this in the short to medium term – instead, it would have to reduce its expenditure very quickly. The Legacy Smoothing Reserve is therefore to fund potential legacy income shortfalls and give time to reduce expenditure in a planned way.

Projects/Invest to Save Fund: This reserve has been used to fund the Transformation programme of the hospice following the pandemic. Costs of the reconfiguration of the Turnchapel site to bring all our teams working on one site were funded through this reserve as well as transformation costs across our teams.

Case for change/Quality agenda: We are undertaking a review to understand the patient journey/experience of dying and to use the outcomes of this to shape our clinical services and strategy.

Compassionate Communities Development: St Luke's has been at the forefront of this initiative to date and will match funding going forward.

Data project: We will undertake a review to initially understand what data we hold and what is available externally, then to create an action plan to ensure the best use of data to inform our strategic plans.

**NOTES TO THE FINANCIAL STATEMENTS
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Hospital team expansion: we have started an initiative within our hospital service through increasing the reach of the hospital team and to improve the education of UHP staff working in end-of-life care. This is being achieved through an additional Band 7 nurse for a 2 year initiative with the aim that the hospital will fund the post after 2 years.

Integrated care trial: We are funding a trial to improve discharge of patients from SLH to ongoing care. This will be modelled to see if it could benefit wider system at which point it would be funded from the system.

Investment Revaluation Reserve: This reserve represents unrealised gains on investments.

Clinical Co-ordination Reserve: This is a new reserve set up this year to start work with system partners to extend our current model of care to incorporate the last year of life rather than the last 3 months of life. An initial model will be worked up alongside our partners with a view that if proven that this new model would be incorporated and funded on an ongoing basis through the ICS.

Staff support Reserve: To provide one off additional staff resource to help teams deal with the significant changes to working practice as well as work pressures that we are currently experiencing.

Sustainability Reserve: Environmental sustainability is a key objective; we have set funds aside for additional resource to start planning the improvements needed.

Organisational Development Initiatives: To support the continued development of a just and learning culture and promoting a person centred workplace.

Restricted Funds

Restricted Funds Project Funds: Some NHS and other income is for specific projects and programmes. These funds are treated as restricted and the balance on these funds is held as Project Funds.

Other Funds: Other restricted funds are held at the value of any donations for restricted purposes that remain unspent at the year end.

**ST. LUKE'S HOSPICE PLYMOUTH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

20. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Designated funds	8,397,584	-	(589,908)	2,507,736	(89,672)	10,225,740
General funds	5,297,389	11,589,123	(10,849,537)	(2,487,343)	-	3,549,632
Restricted funds	70,613	299,743	(225,240)	(20,393)	-	124,723
	<u>13,765,586</u>	<u>11,888,866</u>	<u>(11,664,685)</u>	<u>-</u>	<u>(89,672)</u>	<u>13,900,095</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Designated funds	9,156,370	-	(478,283)	(428,762)	148,259	8,397,584
General funds	2,699,314	11,324,466	(9,184,708)	458,317	-	5,297,389
Restricted funds	51,019	636,642	(587,493)	(29,555)	-	70,613
	<u>11,906,703</u>	<u>11,961,108</u>	<u>(10,250,484)</u>	<u>-</u>	<u>148,259</u>	<u>13,765,586</u>

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	2,558,722	-	2,558,722
Intangible fixed assets	141,112	-	141,112
Fixed asset investments	2,664,369	-	2,664,369
Investment property	762,000	-	762,000
Current assets	8,640,467	124,723	8,765,190
Creditors due within one year	(778,673)	-	(778,673)
Provisions for liabilities and charges	(212,625)	-	(212,625)
TOTAL	<u>13,775,372</u>	<u>124,723</u>	<u>13,900,095</u>

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	2,023,252	-	2,023,252
Intangible fixed assets	43,514	-	43,514
Fixed asset investments	2,733,375	-	2,733,375
Investment property	430,000	-	430,000
Current assets	9,540,230	70,613	9,610,843
Creditors due within one year	(896,398)	-	(896,398)
Provisions for liabilities and charges	(179,000)	-	(179,000)
TOTAL	<u>13,694,973</u>	<u>70,613</u>	<u>13,765,586</u>

**22. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING
ACTIVITIES**

	Group 2023 £	Group 2022 £
Net income for the year (as per Statement of Financial Activities)	<u>134,509</u>	<u>1,858,883</u>
ADJUSTMENTS FOR:		
Depreciation charges	356,540	381,605
Amortisation charges	19,835	5,180
(Gains)/losses on investments in shares (net of fees)	134,360	(249,254)
Interest received	(203,109)	(107,128)
Profit on the sale of fixed assets	(15,876)	(432,281)
Decrease/(increase) in stocks	(8,161)	2,126
Decrease in debtors	116,634	476,187
Decrease in creditors	(117,725)	(31,837)
Increase/(decrease) in provisions	33,625	(41,125)
Interest paid	-	9,075
Investment property gifted	(304,124)	-
Revaluation gains on investment property	(27,876)	(90,000)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>118,632</u>	<u>1,781,431</u>

**ST. LUKE'S HOSPICE PLYMOUTH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2023 £	Group 2022 £
Cash in hand	<u>7,135,334</u>	<u>7,872,514</u>

24. ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	<u>7,872,514</u>	<u>(737,180)</u>	<u>7,135,334</u>

25. CAPITAL COMMITMENTS

	Group 2023 £	Group As restated 2022 £	Company 2023 £	Company As restated 2022 £
CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS				
Acquisition of tangible fixed assets	<u>40,270</u>	<u>470,350</u>	<u>40,270</u>	<u>470,350</u>

26. PENSION COMMITMENTS

Group Personal Pension Scheme

The Group operates a defined contribution pension scheme, which is operated by Royal London. The assets of the scheme are held separately from those of the Group in an independently administered fund.

The Federated Flexiplan No.1

The Group also is part of The Federated Flexiplan No.1 ("the Plan"). The Plan is a defined benefit pension scheme. It is a "last man standing scheme" which means that all participating employers are jointly and severally liable for the Plan's liabilities. However, because of the non-associated multi-employer nature of the Plan, the Group does not have sufficient information available (in particular to identify its share of the underlying assets and liabilities of the Plan) to use defined benefit accounting. As a result the amount recognised in the statement of financial activities represents the Group's contributions payable to the the Plan in respect of the current accounting period.

Members of the Plan are entitled to benefits on either a "Pensions Capital" or "Target Pension" basis. Under the Pensions Capital basis, contributions paid by and in respect of members are accumulated up to retirement and then used to secure benefits for the member. Under the Target Pension basis, members receive a defined pension at retirement based on length of service in the Plan under their Pensionable Salary at the date of leaving. The Plan is closed to new members and to future accrual of benefits.

The total cost payable to both these schemes for the year was £697,644 (2022: £580,074) and £83,423 (2022: £68,018) was payable to the schemes at the year end.

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

27. OPERATING LEASE COMMITMENTS

At 31 March 2023 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Not later than 1 year	400,245	360,103	400,245	360,103
Later than 1 year and not later than 5 years	539,064	312,341	539,064	312,341
	<u>939,309</u>	<u>672,444</u>	<u>939,309</u>	<u>672,444</u>

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Operating lease rentals	490,197	382,271	490,197	382,271

28. RELATED PARTY TRANSACTIONS

The Group has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the Group at 31 March 2023.

The Group has taken advantage of the exemption available to not disclose transactions and balances with members of the same 100% group in accordance with Section 33.1A of FRS102.

29. CONTROLLING PARTY

The Group is controlled by the Board of Trustees.

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

30. PRINCIPAL SUBSIDIARIES

The following was a subsidiary undertaking of the Company:

Name	Company number	Registered office or principal place of business	Principal activity
SLH Ventures Limited	01786925	Stamford Road, Turnchapel, Plymouth, PL9 9XA	Fundraising in support of the parent charity

Holding **Included in consolidation**

100% Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
SLH Ventures Limited	963,300	(650,744)	312,556	312,371

ST LUKE'S HOSPICE PLYMOUTH

England & Wales - Charity number 280681

Accounts

ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

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**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022**

Trustees

Mr S Carter
Mrs N Duncan
Mrs J Edge (appointed 25 May 2022)
Mrs F Field
Mr C Hackett
Mrs J Hendry (resigned 24 May 2022)
Mr J P Henniker
Mr J Henniker
Mrs H Hocking (appointed 19 July 2021)
Mr R James
Mrs C Quinn, Chair
Mrs E Richerby
Mr M Risdon
Dr M Walker
Ms F Allen (appointed 26 May 2022)

Company registered number 01505753

Charity registered number 280681

Registered office St Lukes Hospice, Stamford Road
Turnchapel
Plymouth
Devon
PL9 9XA

Company secretary Susan Cannon

Chief executive officer Stephen Statham

Bankers Santander
Bridle Road
Bootle
L30 4GB

Solicitors Foot Anstey Solicitors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

Structure, Governance and Management of the Charity

The Board presents its Trustees' Annual Report, Directors Report and the audited consolidated financial statements for the year ended 31 March 2022 as required by company law. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Memorandum and Articles of Association, 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 on 1 January 2019.

St Luke's Hospice Plymouth is a company limited by guarantee and not having a share capital. It was incorporated on 29th May 1980. It is a charity registered in England and Wales. The maximum liability of each member on the winding up of the company is £1.

There are currently 14 trustees of the Charity. Individuals must sign a consent form on becoming a member. Every member will further the objects so far as practicable and observe any standing orders, rules and regulations issued in the Articles of Association of the Charity. The Trustees are appointed as members of the Charity. Full responsibility for the running of the Charity is vested in the Trustees, who by reason of the incorporation of the Charity are also Directors of the Company.

The Board of Trustees is the Governing Body. The Board meets to agree business plans and annual operating plans and to monitor performance against them. It sets the ethos, aims, policies and limits of authority. It appoints and provides support and direction to its senior executives (the Senior Management Team SMT) and has a formally agreed Governance policy that is reviewed annually. The services delivered by St Luke's are registered with the Care Quality Commission. In pursuit of its charitable objectives, St Luke's Hospice works in partnership with other local hospices and Hospice UK which is the national charity for hospice and end of life care.

Chair: Mrs Christina Quinn

Treasurer: Mr Michael Risdon BSc, ACA

Senior Executives:

Chief Executive	Mr Stephen Statham
FCIPD MA Deputy CEO & Director of Clinical Services	Mr George Lillie RGN RMN BSc. MSc
Director of Finance & Resources:	Mrs Susan Cannon CPFA
Commercial Director	Mr Michael Dukes

Trustees

The following Trustees, who are also Directors, served during the year:

Mr S Carter (e)
Mrs N Duncan (a,g,h)
Mrs F Field (a,f,g,h)
Mr C Hackett (e)
Mrs J Hendry (a,b,c,g) (resigned 24 May 2022)
Mr J Henniker (a,e,f)
Mr J P Henniker (g,h)
Mrs H Hocking (d,f) (appointed 19 July 2021)
Mr R M James (b,d,e)
Mrs C Quinn (b,g,h)
Mrs E Richerby (d)
Mr M Risdon (b,d,f)
Dr M Walker (c,d)

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

The Trustees of St Luke's Hospice serve on a number of Board committees as follows:

- a. BEESafe Health & Safety Committee
- b. Chairs' Governance Committee
- c. Clinical Review Group
- d. Finance and Audit Committee
- e. Income Generation Group
- f. Organisational Risk and Internal Audit Committee
- g. People and Transformation Committee
- h. Reward and Remuneration Committee

Four Trustees are also Directors of the wholly owned trading subsidiary:

- i. SLH Ventures Ltd

In addition, a number of Trustees attend operational groups.

Recruitment and Induction of Trustees

Periodically the Governance Committee may decide it appropriate to carry out a skills audit of the current trustees before we carry out any formal recruitment process. The objective of a skills audit is to analyse the existing trustee's skills, knowledge, and experience in order to identify gaps within the board.

The organisation will use this information in several ways:

- To pool the talents of the trustees to deal with specific issues or when forming committees or project groups to ensure we utilise trustees' qualities and attributes effectively.
- To identify gaps in knowledge and skills in order to consider any training or development interventions.
- To target the recruitment of further trustees to the board based on the skills or knowledge gaps.
- To monitor the inclusivity and diversity of the board and if appropriate targeted recruitment to the wider community.

The Chairs Governance Committee will look at a broad range of selection methods, such as general advertising, linking into Volunteering websites, or targeted recruitment for specific skills such as Treasurer etc, or underrepresented groups.

In all cases an information pack is sent out with a covering letter from the Chair and may include the Articles of Association, the latest financial statements, the guide to being a trustee, a trustee role profile and background information on St Luke's.

At this stage we would also gain confirmation that the applicant is not legally barred from being a charity trustee. Interested parties will be able to visit the hospice and to meet the Senior Management Team. The pack will also include an application form. Suitable applicants will be invited for an interview with at least two trustees from the Chairs Governance committee. Other trustees may stand in if there are conflicts of interest or trustees are unavailable.

Following the interview, the Chair will either: -

- invite them to attend the next trustee meeting, and possibly come early to meet other trustees.
- thank them for their interest and offer them alternative volunteering opportunities, or request permission to hold them in a pool pending an appropriate vacancy.

Details of the potential trustee will be circulated to the Board of Trustees in advance of the Board of Trustees meeting and any trustees wishing to meet them may do so at or before the Board of Trustees meeting. Any feedback or concerns will be notified to the Chair.

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

The Chair will normally make the invitation to membership of the Board of Trustees after confirmation that the potential trustee is still interested and approval by the Board of Trustees following attendance.

References will be obtained by the Chief Executive's office and a formal DBS (Disclosure and Barring Service) check will be carried out. Once appointed, a member is a trustee under the Charities Act and a director under the Companies Act.

All new trustees will be provided with an induction programme appropriate for their role and interests, and will be assigned a "buddy", from the existing trustee board and also a member of the Senior Management Team. All Trustees are required to complete St Luke's mandatory on-line training modules within three months of joining the organisation.

Objectives and Activities of the Charity

St Luke's Hospice Plymouth is a registered charity, a company limited by guarantee, and is registered with the Care Quality Commission. It is governed by a Board of Trustees comprising up to 14 Trustees/Directors who normally meet 6 times a year and who also participate in several sub committees and operational management groups. Day to day management is vested in a Chief Executive, who reports directly to the Chair of the Trustees.

The principal object of the charity, as defined in the Articles of Association, is to relieve sickness amongst people suffering from terminal illness, in the City of Plymouth and the surrounding districts. St Luke's core service is the provision of specialist palliative care for the population of Plymouth, South West Devon and East Cornwall – a population in excess of 450,000. We work in partnership with others, delivering the education and support required to ensure the provision of excellent end of life care.

The Charities Act 2011, Section 4 requires charities to have due regard to public benefit. The Trustees have reviewed the objects, goals, services and objectives of the charity in the light of this requirement and can confirm that St Luke's Hospice Plymouth serves for the public benefit. This Trustees' Report continues to evidence how the charity strives to meet need.

Our Vision

"A community where no person has to die alone, in pain or in distress."

Our vision is a far-reaching aim towards which everyone involved in end of life care should strive. St Luke's vision provides an underlying service of purpose for staff, volunteers and stakeholders. In order to realise our vision, we have clarified our mission, and how we aim to progress towards it.

Our Mission

"We work within our community in partnership with others to achieve dignity, comfort and choice for people affected by a life limiting illness, by delivering and influencing exceptional care."

Our mission sets out what St Luke's role will be in helping to enable our vision to be realised. This mission gives greater prominence to not just the direct delivery of end of life care, but also exerting even more influence upon others involved in end of life care by bringing our experience and expertise to the work of health and social care professionals.

Our Values:

Professionalism, Respect, Compassion, Integrity

At St Luke's we are proud of, and passionate about our history and the care we provide. This has been achieved by the hard work, dedication and commitment of all the staff and volunteers who have made St

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Luke's what it is today. Our values are at the core of all our services. They inspire us and drive us, to ensure we provide the best possible care to as many local people as we can reach; living and dying with a terminal illness.

Annual Report

It is impossible to reflect on the past year without again focusing on the impact of the COVID-19 pandemic, which has had a significant impact on all our services, including income streams, as well as the physical and emotional trauma experienced by staff, volunteers and all those associated with St Luke's.

During the pandemic St Luke's response remained strong. Our clinical teams constantly reacting to the challenges they were facing daily, creating, and adopting new ways of working to ensure we were able to continue to provide high quality care for those who needed us. Alongside our clinical teams our support staff and income generation teams showed great flexibility, strength, and resourcefulness to ensure we continued to be safe and efficient whilst protecting the future sustainability of St Luke's.

As usual our volunteers continued to display a steadfast commitment in supporting the day to day operation of the charity, which has meant we have been able to keep our services running, whilst continuing to provide excellent care to patients and families. We are proud to have been recognised as an essential clinical service in supporting the NHS during the pandemic especially in caring for people in their own homes, thus preventing unnecessary admissions to the already overwhelmed local hospitals. This resulted in additional government funding which we are grateful for, which helped us to continue to provide our services despite our charitable income streams being affected by the pandemic.

This partnership working with our NHS colleagues, health care providers and other charities, ensured we placed the patient in the centre of everything that we do, whilst taking the pressure off the care system, helping the wider NHS to keep their services running and allowing people to get the support they need.

One of the few benefits of the pandemic is that it has forced rapid changes in how some things can be done, and we must make sure we do not revert to old ways where the new ones have been shown to be better. The utilisation of digital communication and platforms enabled us to continue to see patients by utilising digital consultations and only visiting when absolutely necessary to protect the safety of everyone. The COVID-19 pandemic has accelerated this digital development within St Luke's, and perhaps this has given us the push we needed to consistently deploy digital methods throughout the organisation. We have certainly picked up the pace and will continue to introduce digital solutions across all our areas.

These new ways of working are not just about the introduction of new digital solutions, it is about change, efficiency, and improvement. We have already launched our 'Transformation programme – Better and stronger for longer' It's a different way of working and is happening against a backdrop of higher costs for the charity at a time when, in all likelihood our annual income may have reached its upper limit for the foreseeable future.

Over the last 12 months we have adapted quickly to new ways of working. We created more agile ways of working for all staff where possible, including moving to a 'blended' approach to work, with less emphasis on office accommodation and desk spaces and more focus on remote working. This has enabled us to cut our running costs with the selling of our warehouse and consolidating our accommodation, we are also pursuing potential tenants for one of our floors at our Brooklands site.

The relocation of our clinical teams from Brooklands to our Turnchapel site has helped to drive our 'one team' approach to enhance the flexibility of staff between our clinical teams to cope with varying demands and supporting the patient wherever they may be. As a result of this we have commenced our investment in reconfiguring our Turnchapel site to ensure the office accommodation meets the needs of our staff working on an agile basis.

**ST. LUKE'S HOSPICE PLYMOUTH
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**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Many of our staff are already working differently – either remotely, or a combination of remote and on-site working, and using new technology - and it is likely some or all of these changed ways of working will continue as we accelerate towards a 'new normal' at St Luke's over the coming months.

Our IT capability has improved vastly over the last few years with the introduction of our cross-hospice collaboration with Rowcroft Hospice, we are extremely proud of its success and pleased that St Richards Hospice formally joined this collaboration in January 2022, making the IT OneTeam now a Tri-Hospice collaboration.

We will continue to test new ways of working, treat failure as learning and accelerate rather than slow the pace of our transformation plan. The programs we have established have already begun to produce results. We will pursue these with rigour to ensure the future sustainability of the organisation along with our ability to adapt and remain resilient.

As a charity we are committed to providing patients' quality end of life care with professionalism and compassion, so that we are part of a community where no one dies alone, in pain or in distress. To that extent we have had a very successful year. In the year ended 31 March 2022, the charity was able to see 2,134 new patient referrals which resulted in the delivery of 4,218 individual episodes of care, this compares to 3,805 episodes of care in the previous year: an increase of 11%. All areas of clinical care showed an increase in activity but significant increase in referrals were seen in our community (7%) and hospital services (16%).

It is hard to say if this increase is significant or just reflects the health system bouncing back from the pandemic. What is clear is that many of the referrals to all our services are significantly later in a patients end of life journey than was seen at the start of the pandemic. This gives less time for us to support patients and their families and increases stress on our clinical teams. As with other health care services, we expect this pattern will continue for at least another year until the health and social care system begins to return to a pre-pandemic state. The total cost of our clinical services provision was £6,240,708 for the year, compared to £5,875,312 in the previous year, an increase of 6%.

Some of the highlights of the past year are summarised below:

All our services have continued to flex and adapt to support the local health and social care system as it has battled with further peaks in COVID-19 cases and winter pressures. These efforts have been recognised and praised by other health/social care providers and by the Devon Clinical Commissioning Group (CCG).

The importance of our End of Life Urgent Care Service (EoLUCS) in supporting dying patients in our community has been recognised by the CCG with an increase in substantive funding to extend this service for the future.

Strategically, we are actively engaged with the CCG Devon wide review of End of Life care which is yet to conclude and are represented at various levels within the Local Care Partnership (LCP) plans for health and social care services moving forward as the CCG transitions to an Integrated Care System (ICS).

As part of our ongoing work around transformation, we have finalised our 'Case for Change for Clinical Services' and have developed a work programme for moving forward for the next 2 years. A large part of this work will focus on remodelling /developing the clinical workforce to ensure we are able to meet the increasing demands for end of life care moving forward in a sustainable way. As part of this work this year, we undertook external reviews of our Social Care and Education services. Recommendations from these reviews have been, or are being implemented to ensure we continue to meet the needs of those we serve, in the most sustainable way possible.

As part of increasing our understanding of the experience of those dying or supporting loved one's who are dying, we have appointed a new Associate Director for Quality and Patient Experience. Gaining an in-depth understanding of what it is like to die in our local community and the impact of the services we provide will be

**ST. LUKE'S HOSPICE PLYMOUTH
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**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

key in ensuring that end of life care remains high on the agenda for commissioners of services at a time where pressures on funding is at an all-time high.

Following our investment last year with the introduction of a community-based nurse consultant to support the work of our medical teams. We have successfully seen this post holder become part of the on-call medical rota for our in-patient service. The success of this role and other new roles such as Associate nurses, will be used as a template to further develop the creation of a sustainable clinical workforce equipped for the future demands of end of life care.

With Covid restrictions in place for health care settings throughout the year, it has been difficult to return to some of our training that needs to be class based, but this situation has improved in the last quarter of the year due to the easing of restrictions. Given the ongoing impact off Covid, the education team has converted much its specialist training to a web-based format and have successfully delivered our specialist university modules through this medium.

The pressures within the current health and social care system with staff vacancies and high levels of staff absence due to Covid, our numbers of external staff trained has not bounced back to pre-covid levels. We are hopeful this will improve over the next 12-18months.

The past year has seen Income Generation activities consolidate the changes made in the previous year and continue to adapt to the changing demands of our customers and supporters. Despite the difficulties and uncertainties that everyone experienced throughout the year, the constant throughout, was the unwavering support from the public and the tenacity of our internal teams and volunteers. The majority of our Fundraising teams had to work from home and retail staff needed to move between shops; all unsettling but met with a can-do attitude.

In retail, the trading weeks were disrupted with shorter hours through staff absence and restricted availability of volunteers and we therefore concentrated on delivering consistent trading hours in our larger premises at the expense of the smaller shops. The sale of the warehouse was completed and the new stock distribution system was effectively implemented, moving donated goods directly from shop to shop. The lease on Yealmpton shop was not renewed at end of term due to the small size of unit but a new lease was acquired on premises in New George Street, Plymouth and is due to open in Summer 2022.

As restrictions relaxed and then ended, sales responded immediately and there is confidence that sales growth will continue across 2022 and we will develop our portfolio of properties, particularly in South Hams, as and when the appropriate premises become available.

The change in ways of giving from supporters has impacted on our approach to fundraising and we have adapted our team structures to better respond to the demand. There has been a significant change in people's knowledge and confidence in digital giving so we have reviewed our ability to meet this new need and restructured to achieve this and it will take time before these changes become embedded. Much of the change in ways of supporting St Luke's has been the restrictions on face-to-face meeting and mass participation events.

There is however still a significant majority of people that continue to support St Luke's in the traditional ways of giving. When we have been able to hold events such as Midnight Walk in August and Tour de Moor in October these have been adapted to meet relevant restrictions but have all been well attended, albeit with restrictions on numbers that we imposed on ourselves for safety reasons. It wasn't possible to deliver Men's Day Out 2021 in the normal way due to restrictions at the time, so we did not open registrations and instead rolled over the participants from 2020 cancelled event with 800 attending. The participant registrations were successfully back at normal levels in April 2022, when over 1900 men attended.

Lottery sales continue to support strong income, but numbers of players dropped throughout the year as we were unable to canvass new players other than through digital means, as face to face opportunities were

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**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

restricted. Recruitment of new players is a focus for the forthcoming year to build back to the levels that we had seen pre-pandemic.

The support from the local population that depend on our clinical care has been astounding in very trying circumstances. Donated goods stock remains at high levels, fundraising donations have changed in type but have remained strong, and lottery continues to be well supported. However, we do need to move from being completely reliant on the goodwill of our community and we are developing new income generating activities for the commercial environment we face in order to meet the rising costs of both the care we deliver and the numbers of people needing it.

STRATEGIC REPORT

Financial Review

Financial year 2021/22 was the first financial year since COVID-19 that mandatory restrictions were not the dominant force in how we delivered our services, however it was still a year that started out with much uncertainty both from an operational and a financial perspective.

Operationally, we expected normality to return during the year with restrictions on patient visiting and social distancing to be relaxed. Financially, we expected to see slow recovery on the high street with the hope that our retail income would slowly return to pre COVID-19 levels and that we would be able to restart our fundraising mass participation events.

We were keen to return to a pre COVID-19 situation where we were able to fund our own services rather than through the COVID-19 related grants that we had been relying on in the two previous financial years. The return to "normality" has been slow but steady, with some very encouraging results from our Retail and Fundraising efforts and we are pleased to report that we ended the year with these activities returning healthy contributions to the hospice. The closure of our retail warehouse plus the closure of some less profitable shops saw a reduction in retail overheads, resulting in a leaner operation with increased profit levels.

Three of our flagship events were able to resume during the year, and both the Midnight Walk and Tour de Moor in October were all well attended, and Men's Day Out 2021 was held with previously registered participants only.

Some alternative non-recurring funding streams continued, such as business interruption insurance claim and a small amount of furlough grant continued into 2021/22. Later in the year in Q3, grants from NHSE obtained through hospice wide negotiations with Hospice UK were confirmed for the final 4 months of the year, the value of this funding was not known until the very final part of the year so was incredibly difficult to predict. However, we are very grateful for the additional funding received from NHSE in the form of the COVID -19 support grant which was awarded to allow the hospice 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. These grants enabled us to continue to deliver our clinical services during what was still a very demanding year for the health service.

The organisation made an overall surplus of £1,858,883 (2021 – surplus of £2,713,459), which is after including gains on investments of £148,259 (2021 – gain £478,508). This surplus was achieved after charging depreciation of £381,605 (2021 - £413,067) which was funded by designated reserves. It is worth noting that without the nonrecurring external COVID-19 support received, the remaining business interruption insurance payment and the one off sale of our warehouse, the hospice would have made a much smaller surplus of £352k.

Income generation, excluding charitable activities, has seen an increase on last year's levels due to 2020/21 being heavily impacted by the pandemic, however it has still not reached pre COVID-19 levels. Overall income from trading activities increased from £1,492,722 in 2020/21 to £4,229,060 in 2021/22. An increase of £2.7m in our trading income, almost entirely as a result of the removal of COVID-19 restrictions of enforced

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shop closures and the cancellation of our main events in 2020/21. This compares 2019/20 which was in the main a COVID 19 free year, where we generated £5,014,884 (2018/19 was £4,350,299).

Donations and Bequests achieved £2,973,043 in the year compared to the previous year of £2,705,380, this is a strong income source for the hospice but one that has previously been known to be very volatile and hence requires careful monitoring. In 2021/22 the hospice recognised total bequests of £1,529,575 (2021 - £1,595,710) in the year, against an original budget of £1,400,000. For pecuniary legacies, the recognition point is normally when notification of the grant of probate is received, and residuary legacies are normally recognised when draft estate accounts are available or other suitable information which allows the legacy to be measured with reasonable accuracy. Legacy income of just £616,622 has been recognised as income in the accounts which will be received after the year end.

The cost of raising funds, excluding investment costs, increased from £3,823,126 to £4,009,776; an increase of 5% in the year, this was due to the reopening of our shops and the reintroduction of our fundraising events. Although shops and events were closed for most of the previous year, fixed costs such as staffing, rent, IT and insurance remained, although some staffing costs were covered through the furlough grant.

Many of the charity's shops are leased and the related contracts require certain levels of repairs and decoration to be undertaken prior to the shops being returned at the end of the lease. During 2019/20 it was identified that the level of provision set aside for existing liabilities in relation to these shop leases was not adequate and the position was therefore reviewed, with an additional sum added into the charity's provision balances at the year end. Continued review of our Retail operation results in annual fluctuations to this provision which now stands at £179,000 (2021: £220,125). The amounts have been estimated based on the known works that would be required if premises were returned in present condition, and values have been calculated by the premises team of the Group, along with guidance from a firm of quantity surveyors. Further details are shown in Note 20.

Due to the overall surplus in the year, total reserves have increased to £13,765,586 (2021 - £11,906,703). The surplus in the year has been driven by the one-off income streams received to assist with the continuation of the pandemic as well the sale of our warehouse. This level of reserves places the hospice in a strong position to tackle the significant underlying deficits we face over the medium term. We expect deficits of £691k in 2022/23 and over £1m per year in the following 2 years because of the continuing rises in employment costs, particularly as we strive to recruit and retain the necessary staff resources to deliver our services to the high standards we are renowned for. We aim to bring these anticipated deficits back to break even position over the next 3 years as we see the fruits of our efforts in new income generation ventures which we are currently investing in using designated reserves, and by driving further efficiencies through our transformation programme of work. We have continued to designate more of our free reserves to meet these strategic objectives.

We continue to designate funds for service based and invest to save projects which will be used to broaden our reach to a wider population and to invest in the continuous improvement of our services and in line with our strategy, we will invest to take advantage of technology to continually improve the care we provide.

Financial sustainability is one of our key objectives; to that end we are progressing through a transformation project to ensure we work as efficiently as we can and to take advantage of some of the agile working principles that were forced on us as part of our response to the pandemic. This will require investment particularly in our accommodation, as we reduce our real estate from three major premises to just the one at our Turnchapel site, much progress has been made in this area, including the start on site of builders who will reconfigure the office premises to meet our new agile ways of working and to embrace our "OneTeam" approach, it is planned that staff will return to the newly configured office suite in the winter 2022/23.

We continue to designate reserves to smooth the impact of our annual bequest income, which can be highly volatile and difficult to predict with any certainty. We hold a building reserve fund to help ease the ongoing liabilities that come with owning some of our operational assets and are embarking on our 5-year capital plan which will see a number of large items of expenditure, such as replacement of our generator, upgrade to our lifts, and investment in the parking and gardens at Turnchapel.

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We also earmark reserves for our income generation ventures; to create sustainable sources of income in a rapidly changing climate, progress this year has been good and we are now in the position of funding the set up costs of two new ventures through designated reserves.

We plan to start work to accelerate the clinical quality agenda where we aim to use data to understand our clinical service's unmet need, this will help drive the future strategy of the hospice and inform the best use of our free reserves. This funding was last year, and work is now underway on this project.

New designated funds this year includes setting aside funds to initiate the expansion of our Hospital team in order expand our reach and to educate staff at University Hospital Plymouth (UHP) in end of life care. We have also set aside funds for an Integrated Care Trial to improve the discharge of patients across the wider system through the recruitment of an additional Band 7 nurse for a 2 year period, as well as funding to replace our learning management system to a more reactive and user friendly system.

Following movements on designated funds, our general funds have increased from £2,699,314 to £5,297,389, an increase of £2,598,075 in the year. Our unrestricted funds, which are made up of free and designated reserves are £13,694,973 at year end, an increase of £1,839,389 in 2021/22. This includes the investment revaluation reserve; although investments are held on a long-term basis, the portfolio is considered to be readily convertible and as such is included when calculating free reserves. Designated reserves, if uncommitted, are able to be undesignated should circumstances change and hence can be deemed as usable. As at 31/3/2022 free and uncommitted reserves, represent 11 months of expenditure based on the organisation's total budgeted running costs for next year.

The Board changed its Reserve Policy in 2016/17, to reflect a more risk-based approach. Pre COVID-19, free reserves of at least £2.6m were required however, this increased temporarily to £4.5m because of the initial and severe uncertainties the pandemic had on the hospice's finances, this has now reduced to a £3.1m minimum risk requirement as we come through COVID-19 into a more stable situation. The Board is pleased to note that we are in excess of the minimum requirement.

The Board is extremely pleased with the financial performance in the year, and this reflects the determination of both the Board and the senior executives to ensure that the organisation remains financially sustainable throughout the pandemic and in the longer term. It must be acknowledged that the hard work and dedication of all our staff and volunteers has been the overriding reason for the successes of the past year.

Performance of Our Services

In the year ended 31 March 2022, the charity was able to see 2,134 new patient referrals which resulted in the delivery of 4,218 individual episodes of care, this compares to 3,805 episodes of care in the previous year: an increase of 11%.

All areas of clinical care showed an increase in activity but significant increase in referrals were seen in our community (7%) and hospital services (16%). It is hard to say if this increase is significant or just reflects the health system bouncing back from the pandemic. What is clear is that many of the referrals to all our services are significantly later in a patients end of life journey than was seen at the start of the pandemic. This gives less time for us to support patients and their families and increases stress on our clinical teams.

As with other health care services, we expect this pattern will continue for at least another year until the health and social care system begins to return to a pre-pandemic state.

The total cost of our clinical services provision was £6,240,708 for the year. The following table gives more information.

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<u>Our clinical activities</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
In Patient Care				
Patients (referral open see note 1 below)	256	216	246	202
Admissions	282	216	260	212
Deaths	214	149	191	150
Discharges	70	67	70	59
Occupied bed days	3375	3021	3434	3707
% Occupied	77.05%	69.00%	78.10%	84.63%
Average length of patient stay (days)	12	10	13.8	17.5
Community Services (Including Social Care & AHP patient support)	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Patients (referral open)	1670	1578	1603	1415
Patient/Carer visits	4913	4377	5434	6254
Patient/carer phone calls (Duty Nurse commenced 02/11/2016)	14833	21646	14714	12740
Professional liaisons	6673	6460	9896	11051
EoL in the community, including Care package	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Patients - See Note 1 below	727	658	700	486
Accepted referrals	853	870	844	611
End of Episode Preferred place achieved				
Patient visits (by professional)	12487	10494	11862	4917
Hospital Services and Medical Outpatients	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Hospital SPC service				
Patients referred	1529	1317	1182	1018
Support contacts	4612	4400	3498	4405
Medical Outpatients				
Patients	36	36	40	52
Attendances	83	59	86	140
Other Clinical support	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Bereavement Support Contacts (including telephone calls)	2495	1904	1131	1558
Lymphoedema				
Patients (active)			553	601
Palliative care appointments (attended)			133	177
Palliative care appointments (Hours)			103	128
NHS contracted appointments (attended)			1750	1823
Education	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
No of internal individuals trained in the year	1045	313	2416	2188
No of external parties/individuals trained in the year	500	593	1866	1910
No of training sessions on National/Regional projects, local forums & conferences etc	188	155	265	254

Note 1 - In rare cases there may be a slight chance of double counting

**TRUSTEES REPORT (CONTINUED)
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Risks

The recruitment and retention of key staff is becoming more challenging, we know there is a shortage of clinical staff and the current labour market favours those seeking employment; therefore we are seeing less applicants for jobs we advertise, compared to the local market.

We continue to implement various initiatives to support the health and wellbeing of our staff. With the recruitment of clinical staff becoming more challenging, we are working on a number of key measures to mitigate this risk. These include return to practice placements for clinical staff, apprentices, work experience and a more flexible approach to hours and days of work.

Our retail shops have performed well since the lifting of lockdown and other restrictions, however the medium to long term impact on the high street and fundraising events remain unknown, so we continue to be cautious in our future years' budget assumptions. We know we are facing a period of unpredictability and uncertainty in the economy, as well as facing competition in general fundraising activities and support from the public for other charities at a time of crisis.

We acknowledge that income generation is getting more and more challenging, and we have set about putting in a series of measures to manage this risk/challenge. We will continue to look at diversifying our income streams, and we are proactively investigating new ways of generating more sustainable forms of income.

With the changes that are happening within the NHS, there is a growing likelihood that we will see additional competition for NHS contracts from private, public, and other volunteer organisations. Although it would be difficult for organisations to deliver end of life care if it is not their speciality, we must constantly stress the added value of our charitable funding. Our reputation is high, trust and respect have been built up over a considerable period of time with government and local donors and agencies, the challenge will always be about protecting our reputation and brand.

Commissioners are increasingly looking at efficiencies and value for money in the services we deliver. It is essential we maintain appropriate management information to demonstrate the scope of our reach, and also further develop patient outcome measures to show the difference we are making to patients as a result of our intervention.

In Devon we have an ageing population. Population projections suggest the number of residents aged 65 to 84 years will grow by 17% by 2025. The number of adults aged over 85 years is expected to grow by as much as 29%. Meeting these increased needs without a significant increase in funding will be challenging, we know we will be unable to cope with all this demand unless we consider appropriate partnerships and collaboration with existing providers. This brings many challenges around having appropriate agreements, whilst also protecting our own brand and image and our ability to generate income.

Internally, with the recent and ongoing changes within our transformation programme, there is a risk that we disengage with some staff who may struggle with the pace of change that has occurred during this pandemic. To manage this risk there has been an increased focus on internal communications, at all levels, to ensure that information is effectively disseminated through the organisation and that staff understand the direction of travel.

The Organisational Risk and Audit Committee reviews risk, internal controls, approves the risk-based internal audit plan and receives regular internal audit reports, progress reports and corporate risk updates. Senior management review key strategic and operational risks on a regular basis. They consider progress on mitigating actions, new and emerging risks and opportunities. Board subcommittees and management groups help identify, evaluate, and manage risks relating to clinical services, fundraising, investments, business continuity, health and safety, remuneration, major infrastructure and IT projects and operational needs.

**TRUSTEES REPORT (CONTINUED)
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Our Strategic Aims

We embrace our responsibility to meet the specialist palliative care needs of our patients and their families through excellent, personalised patient centred care. We have developed significant partnerships with our partners from the NHS, social care, the voluntary sector and other healthcare providers in order to deliver a seamless service for our patients.

We are aware of the challenges that lie ahead with the significant demographic changes within our local population along with developments within the health and social care sector, which include the following:

- a growing elderly population with complex care needs;
- increased levels of unmet need for end of life care;
- number of adults aged over 85 years expected to grow by as much as 29% by 2025;
- the gap between people's preferred place of death and their actual place of death;
- the rise in dementia related deaths;
- significant constraints on the level of state resources for health and social care in the future;
- shortage of skilled staff and many clinical staff due to retire in the next 10 to 15 years;
- lack of coordinated care and difficulties in the sharing of information, and
- increased regulation and scrutiny, e.g. the new CQC's inspection regime.

Our 2019-24 strategy underpins our desire to meet the increased demand and overcome the challenges we face across the communities we serve, and place patients, their families, and communities at the heart of our care.

We will continue to become more patient and person-centred, knowing that for patients and families to live and eventually die well, they need to be resilient and have a strong sense of coping. This means putting our patients and families at the centre of decisions, recognising the importance of 'what matters to someone' and not just 'what's the matter with someone'.

We are proud to be embedded within our local communities and recognise that we will be unable to deliver our ambitions alone, so we must work in partnership with others to further our vision. We will do this by sharing best practice, educating other healthcare professionals, and joining with other organisations to deliver more comprehensive and integrated services for the benefit of all our patients and their families.

Right across St Luke's, we are fortunate to have a workforce of staff and volunteers who are committed, passionate, professional and focused on giving an excellent service to all our users. We know we need to continue the development of our workforce to achieve the flexibility and responsiveness required to meet the changing needs and preferences of those we care for and support. We will also continue to make the most of our dedicated volunteers across all areas of our charity, ensuring they are trained and properly recognised in the roles they carry out.

We realise that our plans can only be achieved by raising sufficient funds each year to continue our journey. It is clearly essential that we remain financially viable, and we will therefore increase our efforts to maximise our income generation activities as well as exploring opportunities for innovative and diverse sustainable income streams.

We know that with everyone contributing to our shared vision and mission, we will be united in our determination to work in partnership with others to achieve dignity, comfort and choice for people affected by a life limiting illness.

Our Strategic Goals

In our strategic planning, the challenge has been to find the right balance between continually developing our

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services and finding ways to respond to the increasing demand in a climate of severe funding pressures. Our nine strategic objectives help us consolidate and move towards our mission and vision. These are directed by three broad but far reaching strategic priorities:

Care for you and those who care for you

We will provide excellent, safe personalised end of life care that puts patients and families at the centre of decisions.

We will work in collaboration and develop partnerships to extend our influence and improve understanding and support for everyone in our community affected by a life limiting illness.

We will use digital technology to support the delivery of care and advice to patients, and the health and social care professionals looking after them.

We will ensure equity of service so that patients and families can access our services equally regardless of condition, background, gender or religion.

To be an employer of choice

We will recruit and develop our clinical workforce to ensure they have the right skills, experience and attributes required for delivering care in a rapidly changing healthcare environment.

We will continually invest in the development and engagement of our staff and volunteers in order to deliver an excellent service to all our users.

We will continue to develop a values based culture that leads to full and positive employee engagement, enabling St Luke's to provide an excellent service to all users.

To develop the financial and operational resilience of the organisation

We will continue to be financially viable by maintaining growth in existing income generation activities and investing in innovative and sustainable sources of new income.

We will continue to drive cost efficiency and ensure best use of our financial resources.

Key Management Personnel

The key management personnel that the Board has identified consist of the Senior Management team.

The Board of Trustees are responsible for setting remuneration levels for the charity's senior staff. The key objective for St Luke's Hospice is to ensure that our approach offers fair pay to attract and keep appropriately qualified staff to lead, manage, support and/or deliver our objectives.

In deciding Senior Management team remuneration, as a Board of Trustees we have considered:

- The purposes, aims and values of the charity and its beneficiary needs
- How this remuneration impacts on the overall pay policy for all employees and for the Senior Management team in particular
- The types of skills, experiences and competencies that St Luke's needs from its Senior Management team, the specific scope of these roles and the link to pay
- The charity's current strategic plan and how the implementation of this plan may affect the number of senior staff the charity needs to employ or recruit and the nature of these roles
- The charity's ability to pay and that any pay increase is in the context of St Luke's charitable purposes
- The Board's assessment of the charity's performance and the Senior Management team's performance against expectations, in both short and long term
- Appropriate available information on pay policies and practices in other organisations that can inform the decision on whether a level of pay is fair and reasonable. This has been achieved through using

**TRUSTEES REPORT (CONTINUED)
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independent salary surveys, such as Croners, as well as carrying out local and national pay comparisons with other private, public and charitable organisations including other hospices.

- In 2021/22 we undertook our usual benchmarking exercise to compare our salaries against the NHS for clinical staff and also the wider commercial, public and private sector for our non-clinical staff. As a result of these reviews pay for some of our clinical and non-clinical staff was updated. A review is now undertaken each year and salaries adjusted where necessary.

In addition to the points listed previously and in accordance with the Statement of Recommended Practice (SORP), St Luke's Hospice Plymouth, within our audited and published annual report and accounts, discloses the number of employees whose remuneration exceeds 60,000.

With a Senior Management team pay scale established and with the performance of the Senior Management team formally reviewed on an annual basis against set objectives, the Trustees of St Luke's Hospice Plymouth are satisfied that there is appropriate, robust, transparent and fair remuneration in place for its Senior Management team.

Employee Involvement

There is a successful cascade of information through the organisation from SMT (Senior Management Team), SLT (Senior Leadership Team) and OMG (Organisational Management Group) to teams.

There is an established communication network across the wider organisation. This includes through the Intranet and TV screens in breakout areas, showing Steve's (CEO) Spot and regular articles. During COVID-19, text messages were introduced to provide important updates on government restrictions, testing and advice, which was highly successful and has continued to deliver messages of thanks and also transformation updates.

Staff consultation is undertaken via staff surveys, health and wellbeing surveys, feedback from SLT and OMG regarding views within teams. We have also recently introduced our Employee Voice Forum, which was set up to consult and communicate with wider staff groups. Steering groups have also been set up for Health and Wellbeing and Equality and Diversity. A Volunteer Forum is already established.

Employee engagement is monitored through the staff survey, with results and comments used to address any issues arising. We have also been using the HSE stress indicator with teams to identify any issues and concerns around health and wellbeing and putting in appropriate interventions to overcome any themes identified.

Financial and other performance information is shared through the management cascade from SMT to the operational levels within the hospice. As a charity, our staff are motivated and focused on the patient experience and putting them at the heart of everything we do, this drives employee motivation and underpins the culture of St Lukes.

Our Equality and Diversity policy sets out the standard we expect our organisation to work to, to ensure that no job applicant, member of staff or user of our services receives less favourable treatment, and to ensure that no job applicant, member of staff or user of our services is disadvantaged by conditions or requirements which cannot be justified. We have demonstrated our commitment to disability equality through the achievement of the Disability Confident Award.

St Luke's holds the Disability Employment Services' "Two Ticks" symbol and has provision in place to assist the employment opportunities of disabled persons. St Luke's guarantees to interview all disabled applicants who meet the minimum job specification criteria for the post.

St Luke's will try to ensure that when a member of staff becomes disabled that they remain in employment. We will give consideration to, in consultation with the employee and Occupational Health Department,

**TRUSTEES REPORT (CONTINUED)
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reduced working hours; alternative pattern of working; reasonable specific adjustments/special aids; and retraining leading to redeployment.

Reasonable adjustment can be defined as making a change to the way that we usually do things to ensure that we are fair to disabled persons. We may depart from our usual practice if we find it places disabled persons at a substantial disadvantage; for instance, by providing information in an alternative format.

The Equality Act 2010 requires us to provide reasonable adjustments for disabled people, defined by the Act as those who have a physical or mental impairment which has a substantial and long - term adverse effect on that person's ability to carry out normal day – to - day activities. This will, in some circumstances, mean that disabled people receive more favourable treatment than nondisabled people, which is lawful in the context of disability.

The organisation will use best efforts to agree in advance with the individual in question the reasonable adjustments that we are able to make and provide reasons when it may not be possible. Occupational Health will also be consulted as appropriate.

The organisation will, under the terms of its equality duty, work towards meeting the disability equality duty is by reviewing our policies and practices to identify possible barriers for disabled people so that we can minimise those barriers and anticipate the reasonable adjustments that we may need to make. This review is carried out through our quality impact assessment process.

When making an assessment of what is considered 'reasonable adjustment' we will take into account:

- The extent to which the reasonable adjustment will prevent discrimination.
- The extent to which it is practical for the organisation to make the adjustment.
- The cost and availability of resources, including access to funding.

The organisation will monitor the effectiveness of the reasonable adjustment measures it has put in place to ensure that they a) effective and b) prevent discrimination.

Fundraising Practices

St Luke's Hospice Plymouth is registered with the Fundraising Regulator and adheres fully with the Code of Fundraising Practice. We are registered with the Gambling Commission for the delivery of our lottery and raffle and have a remote and non-remote operating licence.

There has been 1 reportable incident to the Gambling Commission. This has now been resolved.

We encourage all supporters or beneficiaries to contact us with any comment or complaint, in the first instance to the St Luke's team member responsible for the area of concern and then through our comments and complaints procedures, as published on our website. In the last year there have been 2 reported incidents, 9 complaints and 0 concerns raised in regard to Fundraising and Lottery.

We monitor incidents, complaints and concerns through a central database, managed by the Head of Quality & Compliance. The Commercial Director and Head of Fundraising are automatically notified of all occurrences and data is reported to the Senior Management and Senior Leadership Teams at monthly meetings.

During the year we used Engage & Connect Ltd based in Shropshire, 2 self-employed canvassers and a remote telesales canvasser based in Plymouth as well as self-employed and voluntary collectors. All third party fundraisers are signed up to an annual contract and fundraising standards. Failure to comply with any contractual or regulatory standards are investigated in line with the Lottery Policy and the hospice's own procedures. All fundraisers have returned to weekly monitoring and monthly visits now that lottery canvassing has recommenced.

**TRUSTEES REPORT (CONTINUED)
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We believe in the highest possible standards for our fundraising, considering supporters preferences in all of our activity, ensuring that all of our activity is compliant with regulatory standards and in line with the intent of those standards.

Personal Data

St Luke's has responded to the introduction of GDPR and refreshed all supporter consents and privacy statements to ensure compliance. The new regulation came into force in May 2018.

St Luke's does not sell any personal data of any kind to any third parties nor do we share supporter or beneficiary data for marketing purposes. We do share information with organisations working on our behalf to deliver services that supporters and beneficiaries have requested and always inform the supporter or beneficiary of what we are doing.

Protecting vulnerable people and others

St Luke's has robust practices that ensure that we do not undertake any intrusive fundraising activity. We may from time to time undertake a telephone campaign or mailing. All campaigns are undertaken using Telephone preference service and mailing preference services and we ensure that within one year no person will receive what could be considered an intrusive or excessive number of contacts.

Existing supporters receive communications and contacts from St Luke's based upon their personal preferences shared with us or where relevant under legitimate interest.

Plans for future periods

We have now entered the stage of 'living with COVID-19' and like many organisations working towards business as usual, in what will no doubt be a new normal for all of us.

However, there is still some considerable uncertainty about the path the pandemic will follow within the UK. We will continue to be cautious on how we manage this, ensuring the health and safety of everybody whilst abiding by government rules. This involves us continually risk assessing our workplaces, processes, and ways of working to ensure we protect all who come into contact with St Luke's.

With the reduction in our premises, we will continue to implement a more agile approach to working for our staff, certain staff whose role can be carried out more remotely, will be encouraged to work in a more flexible way with regards location, which could mean home or at one of our other bases.

We have demonstrated that we can support people in the community by using digital technology, we will therefore continue to use digital technology to communicate with patients and families, when we feel it is appropriate.

We will continue to build and invest in our competencies around digital transformation, using IT to improve our efficiencies and systems, with the aim of improving our business practices. We will continually streamline our processes to eliminate any unnecessary duplication and through our information governance meetings review our systems, simplifying the way we operate and removing any processes that do not add any value to the organisation.

We will also investigate new partnerships and collaborations with other hospices, charities and providers that could reduce some of our overhead costs or generate new economies of scale.

We will ensure that our clinical digital systems are able to be accessed by appropriate other health and care services so that clinicians are able to make informed decisions for the benefit of the patient, assuming we have the patient's consent for the sharing of such data.

**TRUSTEES REPORT (CONTINUED)
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We acknowledge the significant challenges facing us which are unprecedented, with a rapidly ageing population who are living longer with increasingly complex needs at the end of their lives. This changing demographic is set against the economic realities facing our country and our health care services and how services will be delivered in the future.

We will continue to build upon the progress we have made in becoming more patient and person centred, knowing that in order for patients and families to live and eventually die well they need to be resilient and have a strong sense of coping. Evidence shows that better outcomes and experiences are possible when people have the opportunity to actively shape their care and support.

Our priority is to provide specialist care in the last days of life for those who have the greatest need, but we also aspire to ensure that everyone has access to appropriate care and support at the end of life, and we therefore provide education, general support services and advice to patients, professionals and carers. We will continue to develop a public health approach to end of life, building partnerships between health and social care services and communities in recognition that death, dying, loss and care take place in everyday life within the family and community, at home or at work, in villages or other settings, activities and experiences.

With the introduction of Integrated Care Systems (ICS's) we know that collaborative and strategic partnerships will be critical in helping drive improvements in end of life care. We are committed to supporting the system for the benefit of all patients, ensuring we work in a collaborative way with all health and social care organisations, to ensure where possible a smooth transition of patients through the different services.

It is recognised that even with the initiatives we put in place for more equitable access and delivery of care we will not be able to meet all the demands with people living and dying with multiple conditions. We will continue to engage with a wide range of organisations whose actions alongside our own will shape people's experience of care at the end of life.

Our retail operation has 'bounced' back after lockdown restrictions were lifted, and this required a period of reinvention. We had already commenced the process of reviewing our portfolio of shops before the lockdown restrictions to ensure they are both 'fit for purpose' going forward and profitable, whilst identifying new growth pathways. We will continue to look at opportunities for new premises that are large enough to meet our retail strategy, whilst providing the best working conditions for staff and volunteers.

We have reorganised our fundraising team to a model which puts more emphasis on our generous supporters in whatever way they donate to us, whether that be sponsored events, community events or individual giving, how we acknowledge, appreciate and support all our donors is critical to our success. We will continually look at our engagement with our supporters and activities in order to meet their needs, whilst helping them achieve their personal goals in relation to supporting St Luke's.

Our strategy has been to look at introducing other forms of sustainable income and not relying solely on shops and fundraising. Our plan is to launch at least two commercial ventures during the financial year, under a new brand, but very much in line with the values of St Luke's.

We will continue to develop a comprehensive workforce implementation plan to ensure we have a sufficient supply of clinical staff to meet future demands. The plan will also incorporate the skills required by professionals to reflect the changing needs of people to continue to provide high quality care in new ways. We will constantly review our clinical workforce and the care models we operate to ensure we are targeting our specialist workforce to those who have the most complex health and social care need, thus achieving a balance between specialist and generalist clinical staff which better matches patient need.

Volunteers contribute across a range of St Luke's roles from befriending and shop volunteers to trustee and transport volunteers they enable staff to deliver high quality care that goes above and beyond care services. We have reorganised our People Services team to ensure our volunteers are integral to all our people

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

initiatives, whether that be training and development, involvement or how we recognise, support, and publicly acknowledge both teams and individuals of the valued contribution they make to the success of St Luke's. We want to further develop the financial and operational resilience of the organisation by maintaining growth in existing income generation activities and investing in innovative and sustainable sources of new income. We also want to ensure our retail strategy responds to the ongoing changes in customer shopping habits by increasing income from online platforms and adjusting our property portfolio and retail offer to reflect the local demographic profiles.

Reserves Policy

The Board adopts a risk-based approach. As a mature organisation with a variety of established, albeit volatile income streams and predictable and well planned expenditure, the Trustees consider it most appropriate for the hospice to operate a reserves policy centred on an analysis of the potential risks to the amounts of those income streams and of the potential risks of over expenditure. The risks to the hospice's key income and expenditure lines are therefore estimated in order to quantify the reserves that are required, this gives the total risk reserve requirement.

From this risk-based exercise, and in light of the risk from the COVID-19 pandemic receding, the Trustees determined that the hospice requires a risk reserve of £3.1m for 2022/23, (£3.7m 2021/22). Our usual level of risk reserves pre COVID-19 was £2.6m.

The increased levels we have set aside over the last two years covers risks over and above the budget that are not possible to foresee at the point the budget was set, such as, if the Retail operation is unable to trade in line with our budget assumptions, the risk of not being able to hold our flag ship or smaller events, the negative impact on all other income streams as well as the potential increase in costs due to the ongoing impact of COVID-19. The reduction this year of a further £0.6m in the annual risk reserve, represents an estimate of the reduced risk that we believe we now carry in respect of the pandemic and other significant business risks.

Any level of reserves in excess of the risk reserve requirement will be designated to ensure sustainability and develop new and improved services in line with the needs and preferences of patients living with and dying from advanced incurable illness. Following unexpectedly successful financial years, reserves spending has stepped up and has included investing in our Turnchapel site to ensure it meets the new agile working needs of our workforce.

Reserves have provided funding for our Transformation Programme where we have revised some of our team structures and delivered one off pieces of work in line with our strategy. We continue our plans to spend our reserves in the next few years in various areas, including a 2 year pilot expansion of our Hospital Team service to increase the reach of the team and to improve the education of staff working at the acute trust in end of life care as well as an integrated care trial to improve the discharge of patients from the hospice to ongoing care. We are also investing our reserves in better understanding our data both internal and external; the results of this piece of work will help inform our strategic plans to address any unmet need in the area we serve.

Investment Policy

An investment policy is in place, which is reviewed annually by the Trustee Board. St Luke's Hospice keeps reserves in excess of working capital requirements in line with its reserves policy and in line with the hospice's investment policy, these funds are invested. The Trustees have appointed Brewin Dolphin as their agent to manage a diversified portfolio of suitable investments, taking into consideration the risk appetite of the charity as well as ethical requirements including the non-investment in tobacco related products as well as social and ethical considerations. The Trustees have selected an investment objective of a balance between income and capital growth. Global investment markets have seen a sustained period of economic volatility and we work closely with Brewin Dolphin to manage these risks as well as taking up opportunities for income and capital growth.

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Due to COVID-19 and the impact it had on the economy and investments at the very end of 2019/20 financial year we saw a drop in value of 21% in the final quarter of the year. There has been a marked recovery in the 2 years since; however, we anticipate ongoing fluctuations as a result of the volatility that remains within the markets.

Due to successful financial years during the pandemic we have invested a further £500k with Brewin Dolphin during this financial year and are encouraged to report that the value of investments at the year-end was £2,733,375. A realised gain of £148,259 has been reported in the Statement of Financial Activities for the year (2021 - loss £478,508).

Going Concern

We believe that the charity's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the charity's needs.

As mentioned in this trustee report, the impact of COVID-19 has been significant, and our income generation efforts had been limited throughout the pandemic, as a result of this the Hospice sector has received significant support through government grants and NHSE grants as well as the successful business interruption insurance claim, all of which have supported the charity.

This year we have reported strong signs of recovery in our retail and fundraising efforts, and we expect these areas to continue to recover over the medium term. Additionally, our efforts within our Transformation programme are expected to improve efficiency of the hospice further. There are sufficient reserves to act as a contingency fund, and it is for these reasons the Trustees consider the going concern basis to be appropriate.

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that: so far as the Trustee is aware, there is no relevant audit information of which the Company's auditors are unaware, and the Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The Auditors

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office.

Conclusion

Finally, the Board would like to take this opportunity to thank all the Trustees, the Senior Management team and staff, and the 619 volunteers, all of whom are dedicated to the charity, and who work so hard and contribute to its success. The Trustees' Report, incorporating the Strategic Report, was approved by the Board, and signed on its behalf by



Mrs C Quinn
Chair
19 July 2022

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2022**

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

Company law requires the Trustees to prepare financial statements for each financial . 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 Group and the Company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on its behalf by:



Mrs C Quinn
Chair

Date: 19.3.22

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST. LUKE'S HOSPICE PLYMOUTH

OPINION

We have audited the financial statements of St. Luke's Hospice Plymouth (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST. LUKE'S HOSPICE PLYMOUTH
(CONTINUED)**

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

OPINION 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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST. LUKE'S HOSPICE PLYMOUTH
(CONTINUED)**

AUDITORS' 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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- We have considered the nature of the sector, control environment and financial performance;
- We have considered the results of enquiries with management and trustees in relation to their own identification and assessment of the risk of irregularities within the group; and
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation;
- We have identified any matters having obtained and reviewed the Group's documentation of their policies and procedures relating to:
 - o Identifying, evaluation and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - o Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - o The internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to income recognition, with a particular risk in relation to year-end cut off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities Act 2011, Charity SORP 2019, FRS 102 and the terms and conditions attaching to material grants received by the Group. In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or avoid a material penalty. These included the Health & Social Care Act, data protection regulations, health and safety regulations, employment legislation and gambling legislation.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing board meeting minutes;
- Enquiring of management in relation to actual and potential claims or litigations;
- Performing detailed transactional testing in relation to the recognition of income, specifically grants and legacies, with a particular focus around year-end cut off; and

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST. LUKE'S HOSPICE PLYMOUTH
(CONTINUED)**

- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

As a result of the inherent limitations of an audit, there is a risk that not all irregularities, including a material misstatement in financial statements or non-compliance with regulation, will be detected by us. The risk increases the further removed compliance with a law and regulation is from the events and transactions reflected in the financial statements, given we will be less likely to be aware of it, or should the irregularity occur as a result of fraud rather than a one-off error, as this may involve intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' 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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Bishop Fleming LLP

Pamela Tuckett FCA DChA (Senior Statutory Auditor)

for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date: *11/8/22*

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	3	2,930,625	42,418	2,973,043	2,705,380
Charitable activities	4	3,116,558	594,224	3,710,782	7,010,850
Other trading activities	5	4,229,060	-	4,229,060	1,492,722
Investments	6	107,128	-	107,128	160,649
Other income	7	941,095	-	941,095	563,788
Total income		11,324,466	636,642	11,961,108	11,933,389
Expenditure on:					
Raising funds		3,995,637	14,139	4,009,776	3,823,126
Charitable activities	8	5,667,354	573,354	6,240,708	5,875,312
Total expenditure		9,662,991	587,493	10,250,484	9,698,438
Net income before net gains on investments					
		1,661,475	49,149	1,710,624	2,234,951
Net gains on investments		148,259	-	148,259	478,508
Net income		1,809,734	49,149	1,858,883	2,713,459
Transfers between funds	21	29,555	(29,555)	-	-
Net movement in funds		1,839,289	19,594	1,858,883	2,713,459
Reconciliation of funds:					
Total funds brought forward		11,855,684	51,019	11,906,703	9,193,244
Net movement in funds		1,839,289	19,594	1,858,883	2,713,459
Total funds carried forward		13,694,973	70,613	13,765,586	11,906,703

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 30 to 56 form part of these financial statements.

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:01505753**

**CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022**

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	13	43,514	-
Tangible assets	14	2,023,252	2,528,066
Investments	16	2,733,375	2,145,217
Investment property	15	430,000	340,000
		<u>5,230,141</u>	<u>5,013,283</u>
Current assets			
Stocks		38,279	40,406
Debtors	17	1,700,050	2,176,237
Cash at bank and in hand	25	7,872,514	6,131,888
		<u>9,610,843</u>	<u>8,348,531</u>
Creditors: amounts falling due within one year	18	(896,398)	(952,736)
Net current assets		<u>8,714,445</u>	<u>7,395,795</u>
Total assets less current liabilities		<u>13,944,586</u>	<u>12,409,078</u>
Creditors: amounts falling due after more than one year	19	-	(282,250)
Provisions for liabilities	20	(179,000)	(220,125)
Total net assets		<u><u>13,765,586</u></u>	<u><u>11,906,703</u></u>
Charity funds			
Restricted funds	21	70,613	51,019
Unrestricted funds	21	13,694,973	11,855,684
Total funds		<u><u>13,765,586</u></u>	<u><u>11,906,703</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Mrs C Quinn
Chair

Date: 19.7.22



Mr M Risdon
Treasurer

The notes on pages 30 to 56 form part of these financial statements.

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:01505753**

**COMPANY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	13	43,514	-
Tangible assets	14	2,023,252	2,528,066
Investments	16	2,733,377	2,145,219
Investment property	15	430,000	340,000
		<u>5,230,143</u>	<u>5,013,285</u>
Current assets			
Stocks		180	345
Debtors	17	1,746,621	2,220,528
Cash at bank and in hand	25	7,652,230	5,769,666
		<u>9,399,031</u>	<u>7,990,539</u>
Creditors: amounts falling due within one year	18	(1,118,460)	(1,037,671)
		<u>8,280,571</u>	<u>6,952,868</u>
Net current assets		8,280,571	6,952,868
Total assets less current liabilities		13,510,714	11,966,153
Creditors: amounts falling due after more than one year	19	-	(282,250)
Provisions for liabilities	20	(179,000)	(220,125)
		<u>13,331,714</u>	<u>11,463,778</u>
Total net assets		13,331,714	11,463,778
Charity funds			
Restricted funds	21	70,613	51,019
Unrestricted funds	21	13,261,101	11,412,759
		<u>13,331,714</u>	<u>11,463,778</u>
Total funds		13,331,714	11,463,778

The Company's net movement in funds for the year was £1,867,936 (2021 - £2,951,722).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Mrs C Quinn
Chair
Date:

Mr M Risdon
Treasurer

The notes on pages 30 to 56 form part of these financial statements.

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022**

	2022 £	2021 £
Cash flows from operating activities		
Net cash provided by operating activities	1,871,431	2,273,905
Cash flows from investing activities		
Dividends, interests and rents from investments	107,128	160,759
Proceeds from the sale of tangible fixed assets	723,406	-
Purchase of intangible assets	(48,694)	-
Purchase of tangible fixed assets	(167,916)	(43,271)
Proceeds from sale of investments	513,110	139,479
Purchase of investments	(852,014)	(143,570)
Revaluation of investment property	(90,000)	-
Net cash provided by investing activities	185,020	113,397
Cash flows from financing activities		
Repayments of borrowing	(306,750)	(24,500)
Loan interest paid	(9,075)	(13,454)
Net cash used in financing activities	(315,825)	(37,954)
Change in cash and cash equivalents in the year	1,740,626	2,349,348
Cash and cash equivalents at the beginning of the year	6,131,888	3,782,540
Cash and cash equivalents at the end of the year	7,872,514	6,131,888

The notes on pages 30 to 56 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

St. Luke's Hospice Plymouth meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Statement of Financial Position consolidate the financial statements of the Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Group 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 these financial statements.

1.2 GOING CONCERN

This year we have reported strong signs of recovery in our retail and fundraising efforts, and we expect these areas to continue to recover over the medium term. Additionally, our efforts within our Transformation programme are expected to improve efficiency of the hospice further. There are sufficient reserves to act as a contingency fund, and it is for these reasons the Trustees consider the going concern basis to be appropriate.

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that: so far as the Trustee is aware, there is no relevant audit information of which the Company's auditors are unaware, and the Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

1.3 INCOME

All income is recognised once the group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the group has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the group, can be reliably measured.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. ACCOUNTING POLICIES (continued)

1.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

1.5 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 TAXATION

The Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.7 INTANGIBLE ASSETS AND AMORTISATION

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following bases:

Computer software	-	% 33%
Computer software under construction	-	% Not amortised until brought into use

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. ACCOUNTING POLICIES (continued)

1.8 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 4-7%
Equipment and furniture	- 10-33%
Motor vehicles	- 14-33%

1.9 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

1.10 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.11 DEBTORS

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

1.12 CASH AT BANK AND IN HAND

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

1.13 LIABILITIES

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. ACCOUNTING POLICIES (continued)

1.14 PROVISIONS

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event which is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.15 FINANCIAL INSTRUMENTS

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

1.16 OPERATING LEASES

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

1.17 PENSIONS

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

The Group is a member of a multi-employer plan. Where it is not possible for the Group to obtain sufficient information to enable it to account for the plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

1.18 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 the Group and which have not been designated for other purposes.

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group 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, gains and losses are allocated to the appropriate fund.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

Provisions are made for shop dilapidation and costs required. This is a critical estimate and subject to management estimates and judgements of the future costs.

3. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Donations	1,411,050	32,418	1,443,468
Legacies	1,519,575	10,000	1,529,575
	<u>2,930,625</u>	<u>42,418</u>	<u>2,973,043</u>
	<u>2,930,625</u>	<u>42,418</u>	<u>2,973,043</u>
	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Donations	1,071,917	37,753	1,109,670
Legacies	1,595,710	-	1,595,710
	<u>2,667,627</u>	<u>37,753</u>	<u>2,705,380</u>
	<u>2,667,627</u>	<u>37,753</u>	<u>2,705,380</u>

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
NHS Basic Funding	2,718,554	-	2,718,554
End of Life Care Education Projects	-	87,157	87,157
Other Income	285,999	101,736	387,735
COVID Relief grants	112,005	4,606	116,611
Hospice UK grants	-	400,725	400,725
TOTAL 2022	3,116,558	594,224	3,710,782
	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
NHS Basic Funding	2,733,260	18,000	2,751,260
End of Life Care Education Projects	-	86,039	86,039
Other Income	94,416	-	94,416
COVID Relief Grants	333,368	774,604	1,107,972
Hospice UK grants	-	2,971,163	2,971,163
TOTAL 2021	3,161,044	3,849,806	7,010,850

5. INCOME FROM OTHER TRADING ACTIVITIES

Income from non charitable trading activities

	Unrestricted funds 2022 £	Total funds 2022 £
Shops	3,103,969	3,103,969
Sale of assets	448,866	448,866
Lottery	676,225	676,225
	4,229,060	4,229,060

**ST. LUKE'S HOSPICE PLYMOUTH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

5. INCOME FROM OTHER TRADING ACTIVITIES (CONTINUED)

Income from non charitable trading activities (CONTINUED)

	Unrestricted funds 2021 £	Total funds 2021 £
Shops	784,306	784,306
Lottery	708,416	708,416
	<u>1,492,722</u>	<u>1,492,722</u>

6. INVESTMENT INCOME

	Unrestricted funds 2022 £	Total funds 2022 £
Income from property	56,085	56,085
Investment income - other investments	45,389	45,389
Interest receivable and similar income	5,654	5,654
	<u>107,128</u>	<u>107,128</u>

	Unrestricted funds 2021 £	Total funds 2021 £
Income from property	102,902	102,902
Investment income - other investments	43,218	43,218
Interest receivable and similar income	14,529	14,529
	<u>160,649</u>	<u>160,649</u>

**ST. LUKE'S HOSPICE PLYMOUTH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

7. OTHER INCOMING RESOURCES

	Unrestricted funds 2022 £	Total funds 2022 £
Insurance claims	941,095	941,095
	<u>941,095</u>	<u>941,095</u>
	Unrestricted funds 2021 £	Total funds 2021 £
Insurance claims	563,788	563,788
	<u>563,788</u>	<u>563,788</u>

8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
In Patient Care	2,755,140	202,241	2,957,381
Community Services	2,092,832	155,544	2,248,376
Hospital Services and Medical Operations	499,310	35,326	534,636
Education	320,072	180,243	500,315
	<u>5,667,354</u>	<u>573,354</u>	<u>6,240,708</u>
	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
In Patient Care	1,259,705	1,446,799	2,706,504
Community Services	1,049,518	1,193,988	2,243,506
Hospital Services and Medical Operations	224,548	250,722	475,270
Education	169,506	280,526	450,032
	<u>2,703,277</u>	<u>3,172,035</u>	<u>5,875,312</u>

**ST. LUKE'S HOSPICE PLYMOUTH
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**NOTES TO THE FINANCIAL STATEMENTS
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9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
In Patient Care	2,641,645	315,736	2,957,381
Community Services	1,884,722	363,654	2,248,376
Hospital Services and Medical Operations	411,722	122,914	534,636
Education	351,585	148,730	500,315
	<u>5,289,674</u>	<u>951,034</u>	<u>6,240,708</u>
	<u>5,289,674</u>	<u>951,034</u>	<u>6,240,708</u>
	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
In Patient Care	2,471,642	234,862	2,706,504
Community Services	1,968,951	274,555	2,243,506
Hospital Services and Medical Operations	395,384	79,886	475,270
Education	330,449	119,583	450,032
	<u>5,166,426</u>	<u>708,886</u>	<u>5,875,312</u>
	<u>5,166,426</u>	<u>708,886</u>	<u>5,875,312</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

Support costs are allocated on the following basis: costs are allocated directly where possible for all management, finance, IT and HR spend, and the remaining are apportioned on the basis of time spent across each of the charitable and income generation services, whilst HR support costs are apportioned on the basis of the number of personnel in each area of charitable and income generation activity.

	2022	2021
	£	£
Cost of raising funds		
Shops	254,260	250,076
Lottery	36,906	22,218
Fundraising and publicity	207,373	248,133
Investment and other	40,629	36,628
	539,168	557,055
Charitable activities		
In patient care	254,744	201,880
Community services	276,225	224,182
Hospital services and medical ops	79,199	54,700
Education	96,377	90,499
	706,545	571,261
Governance costs		
Audit & accountancy	25,920	14,437
Legal and professional	13,504	3,866
Other	266,078	186,728
	305,502	205,031

10. AUDITORS' REMUNERATION

The auditors' remuneration for the Group amounts to an auditor fee of £15,690 (2021 - £15,650), and non-audit services of £9,960 (2021 - £6,500).

**ST. LUKE'S HOSPICE PLYMOUTH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

11. STAFF COSTS

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	6,243,137	6,160,323	6,180,316	6,087,498
Social security costs	518,943	495,343	515,319	491,467
Contribution to defined contribution pension schemes	580,074	582,679	575,958	577,139
	<u>7,342,154</u>	<u>7,238,345</u>	<u>7,271,593</u>	<u>7,156,104</u>

During the year, termination payments (e.g. redundancy) amounting to £40,377 (2021: £21,383) were paid. The balance is included in Wages and salaries above.

The average number of persons employed by the Group and Company during the year was as follows:

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Clinical and direct care	118	122	118	122
Direct support	37	38	37	38
Office and administration	47	44	46	43
Fund generating teams	82	94	78	89
	<u>284</u>	<u>298</u>	<u>279</u>	<u>292</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2022 No.	Group 2021 No.
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	1	1
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-

The key management personnel of the group comprise the Senior Management Team. The aggregate employee benefits payable to the key management personnel for the year was £272,974 (2021: £291,097). The key management personnel for 2022 have retained the same staff number as 2021 (4 employees).

12. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

**ST. LUKE'S HOSPICE PLYMOUTH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

12. TRUSTEES' REMUNERATION AND EXPENSES (CONTINUED)

During the year ended 31 March 2022, no Trustee expenses have been incurred (2021 - £NIL).

13. INTANGIBLE ASSETS

GROUP AND COMPANY

	Computer software £	Computer software under construction £	Total £
COST			
Additions	15,541	33,153	48,694
At 31 March 2022	<u>15,541</u>	<u>33,153</u>	<u>48,694</u>
AMORTISATION			
Charge for the year	5,180	-	5,180
At 31 March 2022	<u>5,180</u>	<u>-</u>	<u>5,180</u>
NET BOOK VALUE			
At 31 March 2022	<u>10,361</u>	<u>33,153</u>	<u>43,514</u>
At 31 March 2021	<u>-</u>	<u>-</u>	<u>-</u>

**ST. LUKE'S HOSPICE PLYMOUTH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

14. TANGIBLE FIXED ASSETS

GROUP AND COMPANY

	Freehold property £	Equipment and furniture £	Motor vehicles £	Assets under construction £	Total £
COST					
At 1 April 2021	7,242,304	1,560,970	46,091	-	8,849,365
Additions	9,610	121,002	-	37,304	167,916
Disposals	(615,758)	(243,849)	(1,000)	-	(860,607)
At 31 March 2022	<u>6,636,156</u>	<u>1,438,123</u>	<u>45,091</u>	<u>37,304</u>	<u>8,156,674</u>
DEPRECIATION					
At 1 April 2021	4,881,203	1,396,842	43,254	-	6,321,299
Charge for the year	274,931	104,243	2,431	-	381,605
On disposals	(327,834)	(240,648)	(1,000)	-	(569,482)
At 31 March 2022	<u>4,828,300</u>	<u>1,260,437</u>	<u>44,685</u>	<u>-</u>	<u>6,133,422</u>
NET BOOK VALUE					
At 31 March 2022	<u><u>1,807,856</u></u>	<u><u>177,686</u></u>	<u><u>406</u></u>	<u><u>37,304</u></u>	<u><u>2,023,252</u></u>
At 31 March 2021	<u><u>2,361,101</u></u>	<u><u>164,128</u></u>	<u><u>2,837</u></u>	<u><u>-</u></u>	<u><u>2,528,066</u></u>

**ST. LUKE'S HOSPICE PLYMOUTH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

15. INVESTMENT PROPERTY

GROUP AND COMPANY

	Freehold investment property £
VALUATION	
At 1 April 2021	340,000
Surplus on revaluation	90,000
At 31 March 2022	430,000

The investment property was independently valued in 2019. The Trustees have revalued the investment property in the year based on their knowledge and experience of the current market conditions.

**ST. LUKE'S HOSPICE PLYMOUTH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

16. FIXED ASSET INVESTMENTS

GROUP				Listed investments £
COST OR VALUATION				
At 1 April 2021				2,145,217
Additions				852,014
Disposals				(513,110)
Revaluations				249,254
AT 31 MARCH 2022				<u>2,733,375</u>
NET BOOK VALUE				
AT 31 MARCH 2022				<u>2,733,375</u>
AT 31 MARCH 2021				<u>2,145,217</u>
COMPANY	Investments in subsidiary companies £	Listed investments £	Total £	
COST OR VALUATION				
At 1 April 2021	2	2,145,217	2,145,219	
Additions	-	852,014	852,014	
Disposals	-	(513,110)	(513,110)	
Revaluations	-	249,254	249,254	
AT 31 MARCH 2022	<u>2</u>	<u>2,733,375</u>	<u>2,733,377</u>	
NET BOOK VALUE				
AT 31 MARCH 2022	<u>2</u>	<u>2,733,375</u>	<u>2,733,377</u>	
AT 31 MARCH 2021	<u>2</u>	<u>2,145,217</u>	<u>2,145,219</u>	

**ST. LUKE'S HOSPICE PLYMOUTH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

17. DEBTORS

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Amounts owed by group undertakings	-	-	50,000	50,000
	-	-	50,000	50,000
DUE WITHIN ONE YEAR				
Trade debtors	279,425	449,378	279,425	449,378
Other debtors	109,213	102,546	109,213	101,570
Prepayments and accrued income	1,262,368	1,620,609	1,258,939	1,615,876
Tax recoverable	49,044	3,704	49,044	3,704
	1,700,050	2,176,237	1,746,621	2,220,528

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	-	24,500	-	24,500
Trade creditors	248,649	205,403	243,422	202,456
Amounts owed to group undertakings	-	-	339,913	177,856
Other taxation and social security	145,024	116,443	131,305	115,810
Other creditors	70,274	110,837	69,885	110,064
Accruals and deferred income	432,451	495,553	333,935	406,985
	896,398	952,736	1,118,460	1,037,671

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	-	282,250	-	282,250

The prior year bank loan was a mortgage that was secured by way of a fixed first charge on the freehold property at Brooklands, including all buildings and fixtures.

Of the amount due in the prior year £98,000 was due between 2 - 5 years, and £184,250 over 5 years. The full amount has been repaid in the current year and therefore the liability at the year end is £nil.

**ST. LUKE'S HOSPICE PLYMOUTH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

20. PROVISIONS

GROUP AND COMPANY

	Dilapidation provision £
At 1 April 2021	220,125
Amounts used	(1,114)
Amounts reversed	(40,011)
	<hr/>
	179,000
	<hr/> <hr/>

Provisions are made for the repairs, maintenance and rectification of shop premises held by the Group. The timing of the payments required are linked to the individual shop leases as and when they come up for renewal. The amounts have been estimated based on the known works that would be required if premises were returned in present condition, and values have been calculated by the premises team of the Group, along with guidance from a firm of quantity surveyors.

**ST. LUKE'S HOSPICE PLYMOUTH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

21. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Fixed Asset Fund	2,448,069	-	(386,784)	(74,516)	-	1,986,769
Income Generation Fund	200,000	-	(48,975)	-	-	151,025
Building Facilities Reserve	133,057	-	-	-	-	133,057
Legacies Reserve	1,000,000	-	-	-	-	1,000,000
Projects / Invest to save Fund	764,074	-	(42,524)	(25,045)	-	696,505
Revenue Reserve	3,700,000	-	-	(600,000)	-	3,100,000
Case for change / Quality agenda	150,000	-	-	-	-	150,000
Compassionate Communities Development	50,000	-	-	-	-	50,000
Data project	100,000	-	-	-	-	100,000
Income Generation Start Up Funds	-	-	-	200,000	-	200,000
LMS Replacement	-	-	-	20,000	-	20,000
Hospital Team Expansion	-	-	-	104,000	-	104,000
Integrated Care Trial	-	-	-	70,000	-	70,000
Investment Revaluation Reserve	611,170	-	-	(123,201)	148,259	636,228
	9,156,370	-	(478,283)	(428,762)	148,259	8,397,584

**ST. LUKE'S HOSPICE PLYMOUTH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

21. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
GENERAL FUNDS						
General funds	2,919,439	11,324,466	(9,184,708)	417,192	-	5,476,389
Dilapidation provision	(220,125)	-	-	41,125	-	(179,000)
	<u>2,699,314</u>	<u>11,324,466</u>	<u>(9,184,708)</u>	<u>458,317</u>	<u>-</u>	<u>5,297,389</u>
TOTAL UNRESTRICTED FUNDS						
	<u>11,855,684</u>	<u>11,324,466</u>	<u>(9,662,991)</u>	<u>29,555</u>	<u>148,259</u>	<u>13,694,973</u>
RESTRICTED FUNDS						
Other Funds	29,191	443,250	(430,300)	(26,842)	-	15,299
Project Funds	21,828	193,392	(157,193)	(2,713)	-	55,314
	<u>51,019</u>	<u>636,642</u>	<u>(587,493)</u>	<u>(29,555)</u>	<u>-</u>	<u>70,613</u>
TOTAL OF FUNDS						
	<u>11,906,703</u>	<u>11,961,108</u>	<u>(10,250,484)</u>	<u>-</u>	<u>148,259</u>	<u>13,765,586</u>

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

21. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Fixed Asset Fund	2,577,910	-	(296,807)	166,966	-	2,448,069
Income Generation Fund	200,000	-	(8,562)	8,562	-	200,000
Building Facilities Reserve	133,057	-	-	-	-	133,057
Legacies Reserve	600,000	-	-	400,000	-	1,000,000
Projects / Invest to save Fund	200,000	-	(35,926)	600,000	-	764,074
Revenue Reserve	4,500,000	-	-	(800,000)	-	3,700,000
Case for change / Quality agenda	-	-	-	150,000	-	150,000
Compassionate Communities Development	-	-	-	50,000	-	50,000
Data project	-	-	-	100,000	-	100,000
Investment Revaluation Reserve	132,552	-	-	110	478,508	611,170
	<u>8,343,519</u>	<u>-</u>	<u>(341,295)</u>	<u>675,638</u>	<u>478,508</u>	<u>9,156,370</u>

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

21. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
GENERAL FUNDS						
General funds	1,172,658	8,045,830	(5,635,069)	(663,980)	-	2,919,439
Dilapidation provision	(353,000)	-	132,875	-	-	(220,125)
	<u>819,658</u>	<u>8,045,830</u>	<u>(5,502,194)</u>	<u>(663,980)</u>	<u>-</u>	<u>2,699,314</u>
TOTAL UNRESTRICTED FUNDS	<u>9,163,177</u>	<u>8,045,830</u>	<u>(5,843,489)</u>	<u>11,658</u>	<u>478,508</u>	<u>11,855,684</u>
RESTRICTED FUNDS						
Other Funds	8,174	67,078	(34,403)	(11,658)	-	29,191
Project Funds	21,893	103,886	(103,951)	-	-	21,828
Hospice UK Grants	-	2,971,162	(2,971,162)	-	-	-
Furlough Grants	-	745,433	(745,433)	-	-	-
	<u>30,067</u>	<u>3,887,559</u>	<u>(3,854,949)</u>	<u>(11,658)</u>	<u>-</u>	<u>51,019</u>
TOTAL OF FUNDS	<u><u>9,193,244</u></u>	<u><u>11,933,389</u></u>	<u><u>(9,698,438)</u></u>	<u><u>-</u></u>	<u><u>478,508</u></u>	<u><u>11,906,703</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

21. STATEMENT OF FUNDS (CONTINUED)

The positive financial result for the year has resulted in reserves increasing by £1.8m in the year. As explained in the financial review, this was due to the continuation of some non-recurring COVID-19 related income streams. We are mindful of the requirement to spend excess reserves to meet our charitable objectives and so spending plans have been formulated, which will be driven by our strategic aims. The designated fund of £100k which has been set aside for the Data Project, will ensure we approach this spending in a planned and informed way.

Designated Funds

The Revenue Reserve represents the minimum free reserves required by the Hospice, taking into account the potential risks to income streams and of the potential risks to expenditure over a two year period. Reserves in excess of the minimum level of expenditure may be designated to develop new and improved services in line with the needs and preferences of patients living with and dying from advanced incurable illness. Within the period the trustees have designated a further £394,000 to fund projects in line with the strategic aims of the organisation. Designated funds are held for the following purposes:

The Fixed Asset Fund is held at a level equivalent to the net book value of the depreciable fixed assets owned by the Hospice in order to fund future depreciation costs. The movement in the year therefore mirrors the movement in the fixed assets for the period, which covers additions, disposals and the related depreciation transactions.

The Income Generation Ventures/Fund: This reserve was set up in 2017/18 to invest in feasibility studies for new sustainable income streams. The Income Generation Committee has made progress in this area and has selected 2 /3 ventures that are ready to move on to implementation stage. We have therefore further designated funds this year to fund the set-up costs of the ventures which we have assessed as being viable.

The Building Facilities Reserve: Previously, all repairs were absorbed within the annual revenue budgets of the organisation. It is considered prudent to set aside funds for cyclical and emergency repairs to buildings and facilities. Large items such as annual painting programmes and large maintenance programmes will be funded from this reserve.

The Legacies Reserve: The Legacy Smoothing Reserve was set up to designate funds to mitigate the specific risk around this income stream. The reason the Hospice has removed the risk around legacy income from its Annual Risk Reserve Requirement to a specific Legacy Smoothing Reserve is because if legacies were to be reduced or stop altogether then the organisation could not take any management action to remedy this in the short to medium term. A significant drop in legacy income would present a unique set of circumstances to the Hospice in that, if retail or fundraising income were to dip, the organisation would be able to take management action to address this i.e. close or open shops, sell different goods or organise different events. However, if legacy income were to reduce the Charity could not influence this in the short to medium term – instead, it would have to reduce its expenditure very quickly. The Legacy Smoothing Reserve is therefore to fund potential legacy income shortfalls and give time to reduce expenditure in a planned way.

Projects/Invest to Save Fund: This reserve has been used to fund the Transformation programme of the hospice which has stepped up pace since the pandemic. Costs of the reconfiguration of the Turnchapel site to bring all our teams working on one site are being funded through this reserve as well as transformation costs across our teams.

Case for change/Quality agenda: We are undertaking a review to understand the patient journey/ experience of dying and to use the outcomes of this to shape our clinical services and strategy.

Compassionate communities Development: St Luke's has been at the forefront of this initiative to date and will match funding going forward.

Data project: We will undertake a review to initially understand what data we hold and what is available

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

externally, then to create an action plan to ensure the best use of data to inform our strategic plans.

LMS Replacement: It is proposed to replace the LMS system, to do this there is a requirement to buy in some external expertise to support this work, funds have been designated for this work.

Hospital team expansion: we plan to initiate the expansion of the hospital service through increasing the reach of the hospital team and to improve the education of UHP staff working in end of life care. It would entail recruitment of a Band 7 nurse for a 2 year initiative with the aim that the hospital will fund the post after 2 years.

Integrated care trial: To fund a trial to improve discharge of patients from SLH to ongoing care. To model this to see if it could benefit wider system at which point it would be funded from the system.

Investment Revaluation Reserve: This reserve represents unrealised gains on investments.

Restricted Funds

Restricted Funds Project Funds: Some NHS and other income is for specific projects and programmes. These funds are treated as restricted and the balance on these funds is held as Project Funds.

Other Funds: Other restricted funds are held at the value of any donations for restricted purposes that remain unspent at the year end.

Hospice UK Grants: These grants were provided by Hospice UK to support the charity during the COVID lockdowns and the impact on fundraising income.

Furlough Grants: This is the government grants for furloughed employees during the year as part of the continued COVID support at the start of the financial year.

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

22. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Designated funds	9,156,370	-	(478,283)	(428,762)	148,259	8,397,584
General funds	2,699,314	11,324,466	(9,184,708)	458,317	-	5,297,389
Restricted funds	51,019	636,642	(587,493)	(29,555)	-	70,613
	<u>11,906,703</u>	<u>11,961,108</u>	<u>(10,250,484)</u>	<u>-</u>	<u>148,259</u>	<u>13,765,586</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Designated funds	8,343,519	-	(341,295)	675,638	478,508	9,156,370
General funds	819,658	8,045,830	(5,502,194)	(663,980)	-	2,699,314
Restricted funds	30,067	3,887,559	(3,854,949)	(11,658)	-	51,019
	<u>9,193,244</u>	<u>11,933,389</u>	<u>(9,698,438)</u>	<u>-</u>	<u>478,508</u>	<u>11,906,703</u>

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	2,023,252	-	2,023,252
Intangible fixed assets	43,514	-	43,514
Fixed asset investments	2,733,375	-	2,733,375
Investment property	430,000	-	430,000
Current assets	9,540,230	70,613	9,610,843
Creditors due within one year	(896,398)	-	(896,398)
Provisions for liabilities and charges	(179,000)	-	(179,000)
TOTAL	<u>13,694,973</u>	<u>70,613</u>	<u>13,765,586</u>

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	2,528,066	-	2,528,066
Fixed asset investments	2,145,217	-	2,145,217
Investment property	340,000	-	340,000
Current assets	8,297,512	51,019	8,348,531
Creditors due within one year	(952,736)	-	(952,736)
Creditors due in more than one year	(282,250)	-	(282,250)
Provisions for liabilities and charges	(220,125)	-	(220,125)
TOTAL	11,855,684	51,019	11,906,703

24. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 2022 £	Group 2021 £
Net income for the year (as per Statement of Financial Activities)	1,858,883	2,713,459
ADJUSTMENTS FOR:		
Depreciation charges	381,605	413,067
Amortisation charges	5,180	-
(Gains)/losses on investments	(249,254)	(462,814)
Interest received	(107,128)	(160,649)
Loss/(profit) on the sale of fixed assets	(432,281)	7,269
Decrease/(increase) in stocks	2,126	39,032
Decrease/(increase) in debtors	476,187	(328,492)
Increase/(decrease) in creditors	(31,837)	172,564
Increase/(decrease) in provisions	(41,125)	(132,875)
Interest paid	9,075	13,454
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,871,431	2,274,015

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2022 £	Group 2021 £
Cash in hand	7,872,514	6,131,888
TOTAL CASH AND CASH EQUIVALENTS	7,872,514	6,131,888

26. ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	6,131,888	1,740,626	7,872,514
Debt due within 1 year	(24,500)	24,500	-
Debt due after 1 year	(282,250)	282,250	-
	5,825,138	2,047,376	7,872,514

27. PENSION COMMITMENTS

Group Personal Pension Scheme

The Group operates a defined contribution pension scheme, which is operated by Royal London. The assets of the scheme are held separately from those of the Group in an independently administered fund.

The Federated Flexiplan No.1

The Group also is part of The Federated Flexiplan No.1 ("the Plan"). The Plan is a defined benefit pension scheme. It is a "last man standing scheme" which means that all participating employers are jointly and severally liable for the Plan's liabilities. However, because of the non-associated multi-employer nature of the Plan, the Group does not have sufficient information available (in particular to identify its share of the underlying assets and liabilities of the Plan) to use defined benefit accounting. As a result the amount recognised in the statement of financial activities represents the Group's contributions payable to the the Plan in respect of the current accounting period.

Members of the Plan are entitled to benefits on either a "Pensions Capital" or "Target Pension" basis. Under the Pensions Capital basis, contributions paid by and in respect of members are accumulated up to retirement and then used to secure benefits for the member. Under the Target Pension basis, members receive a defined pension at retirement based on length of service in the Plan under their Pensionable Salary at the date of leaving. The Plan is closed to new members and to future accrual of benefits.

The total cost payable to these schemes for the year was £580,074 (2021: £582,681) and £68,018 (2021: £61,961) was payable to the schemes at the year end.

**ST. LUKE'S HOSPICE PLYMOUTH
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

28. OPERATING LEASE COMMITMENTS

At 31 March 2022 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group	Group As restated	Company	Company As restated
	2022	2021	2022	2021
	£	£	£	£
Not later than 1 year	360,103	403,234	360,103	403,234
Later than 1 year and not later than 5 years	312,341	587,740	312,341	587,740
	672,444	990,974	672,444	990,974

29. RELATED PARTY TRANSACTIONS

The Group has not entered into any related party transactions during the year or the prior year, nor are there any outstanding balances owing between related parties and the Group at 31 March 2022 or at 31 March 2021.

30. CONTROLLING PARTY

The Group is controlled by the Board of Trustees.

31. PRINCIPAL SUBSIDIARIES

The following was a subsidiary undertaking of the Company:

Name	Company number	Registered office or principal place of business	Principal activity
SLH Ventures Limited	01786925	Stamford Road, Turnchapel, Plymouth, PL9 9XA	Fundraising in support of the parent charity
Holding	Included in consolidation		
100%	Yes		

The financial results of the subsidiary for the year were:

Name	Income	Expenditure	Profit/(Loss) / Surplus/ (Deficit) for the year	Net assets
	£	£	£	£
SLH Ventures Limited	874,929	(440,415)	434,514	434,249

ST LUKE'S HOSPICE PLYMOUTH

England & Wales - Charity number 280681

Accounts



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COMPANIES HOUSE

**Trustees' Report
and Financial Statements**
for the year ended 31 March 2021

St Luke's Hospice Plymouth (A company limited by guarantee)
Registered number 01505753 | Charity number 280681

Structure, Governance and Management of the Charity

Chair: Mrs Christina Quinn

Treasurer: Mr Michael Risdon BSc, ACA

Senior Executives: Chief Executive Mr Stephen Statham FCIPD MA Deputy CEO & Director of Clinical Services Mr George Lisle RGN RMN BSc, MSc

Director of Finance & Resources: Mrs Susan Cannon CPA

Commercial Director: Mr Michael Dulzes

Trustees

The following Trustees, who are also Directors, served during the year

Mr S Carter (f)
 Mr C Cavanagh (a f) (resigned 14/12/2020)
 Mrs N Duncan (appointed 23/03/2021) Mrs F Field (a g h i) Mr C Hackett (f) Mrs J Hendry (a b c h)
 Mr J Henniker (appointed 23/03/2021)
 Mr J P Henzler (appointed 23/03/2021)
 Mr R M James (a f)
 Mrs C Postle-Hacon (ca) (resigned 26/02/2021)
 Mrs C Quinn (a h i)
 Mrs E Richeby (appointed 23/03/2021)
 Mr M Risdon (b e g)
 Mrs K Rocks (resigned 29 September 2020)
 Dr M Walker

The Trustees of St Luke's serve on a number of Board committees as follows

a. BESafe Health & Safety Committee
 b. Chair's Governance Committee
 c. Clinical Review Group
 d. Education Committee
 e. Finance and Financial Audit Committee
 f. Income Generation Group
 g. Organisational Risk and Internal Audit Committee
 h. People and Transformation Committee
 i. Reward and Remuneration Committee

Three Trustees are also Directors of the wholly owned trading subsidiary:

i. SLH Ventures Ltd

In addition, a number of Trustees attend operational groups including the Education Programme Board.

Full list of Trustees

Mr S Carter
 Mr C Cavanagh (resigned 14 December 2020)
 Mrs N Duncan (appointed 23 March 2021)
 Mrs F Field
 Mr C Hackett
 Mrs J Hendry
 Mr J P Henzler (appointed 23 March 2021)
 Mr J Henniker (appointed 23 March 2021)
 Mr R James
 Mrs C Postle-Hacon (resigned 26 January 2021)
 Mrs C Quinn, Chair
 Mrs E Richeby (appointed 23 March 2021)
 Mr M Risdon
 Mrs K Rocks (resigned 29 September 2020)
 Dr M Walker

Company registered number
01505753

Charity registered number
280681

Registered office
St Luke's Hospice, Stamford Road
Turnchapel
Plymouth
Devon
PL9 9XA

Company secretary

Susan Cannon

Chief executive officer
Stephen Statham

Bankers

Santander
 Bridle Road
 Boote
 L30 4GB

Solicitors

Foot Anstey Solicitors
 Salt Quay House
 4 North East Quay
 Sutton Harbour
 Plymouth
 PL4 0BN

The Board presents its Trustees' Annual Report and the audited consolidated financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Memorandum and Articles of Association, 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 on 16 July 2014.

St Luke's Hospice Plymouth is a company limited by guarantee and not having a share capital. It was incorporated on 29th May 1980. It is a charity registered in England and Wales. The maximum liability of each member on the winding up of the company is £1.

There are currently 12 trustees of the Charity. Individuals must sign a consent form on becoming a member. Every member will further the objects so far as practicable and observe any standing orders, rules and regulations issued in the Articles of Association of the Charity. The Trustees are appointed as members of the Charity. Full responsibility for the running of the Charity is vested in the Trustees, who by reason of the incorporation of the Charity are also Directors of the Company.

The Board of Trustees is the Governing Body. The Board meets to agree business plans and annual operating plans and to monitor performance against them. It sets the ethos, aims, policies and limits of authority. It appoints and provides support and direction to its senior executives (the Senior Management Team SMT) and has a formally agreed Governance policy that is reviewed annually. The services delivered by St Luke's are registered with the Care Quality Commission.

Objectives and Activities of the Charity

St Luke's Hospice Plymouth is a registered charity, a company limited by guarantee, and is registered with the Care Quality Commission.

It is governed by a Board of Trustees comprising up to 14 Trustees/Directors who normally meet 6 times a year and who also participate in several sub-committees and operational management groups. Due to COVID-19 the Board of Trustees met 8 times in the year. Day-to-day management is vested in a Chief Executive who reports directly to the Chair of the Trustees.

The principal object of the charity, as defined in the Articles of Association, is to relieve sickness amongst people suffering from terminal illness, in the City of Plymouth and the surrounding districts. St Luke's core service is the provision of specialist palliative care for the population of Plymouth, South West Devon and East Cornwall - a population in excess of 450,000. We work in partnership with others,

delivering the education and support required to ensure the provision of excellent end-of-life care.

The Charities Act 2011, Section 4 requires charities to have due regard to public benefit. The Trustees have reviewed the objects, goals, services and objectives of the charity in the light of this requirement and can confirm that St Luke's Hospice Plymouth exists for the public benefit. This Trustees' Report continues to evidence how the charity strives to meet need.

Our Vision and Mission

St Luke's vision is: *'A community where no person has to die alone, in pain or in distress.'* Our vision is a far-reaching aim towards which everyone involved in end-of-life care should strive. St Luke's vision provides an underlying source of purpose for staff, volunteers and stakeholders. In order to realise our vision, we have clarified our mission, and how we aim to progress towards it.

'Our vision is a far-reaching aim towards which everyone involved in end-of-life care should strive.'

St Luke's vision is:
"A community where no person has to die alone, in pain or in distress."

St Luke's Mission is: *'We work with our community in partnership with others to achieve dignity, comfort and choice for people affected by life-limiting illness, by delivering and influencing exceptional care.'* Our mission sets out what St Luke's role will be in helping to enable our vision to be realised. This mission gives greater prominence to not just the direct delivery of end-of-life care, but also exerting even more influence upon others involved in end-of-life care by bringing our experience and expertise to the work of health and social care professionals.

Our Values: Professionalism, Respect, Compassion, Integrity. At St Luke's we are proud of, and passionate about our history and the care we provide. This has been achieved by the hard work, dedication and commitment of all the staff and volunteers who have made St Luke's what it is today. Our values are at the core of all our services. They inspire us and drive us, to ensure we provide the best possible care to as many local people as we can reach living and dying with a terminal illness.



Annual Report

The outbreak and spread of COVID-19 impacted all our lives in ways we could not have imagined when we wrote our annual report last year.

Despite the unpredictable nature of the pandemic, St Luke's response has remained strong. Our staff and volunteers stepped up quickly and adopted measures to keep themselves, their families and the people we look after, safe and well. Their steadfast commitment has meant we have been able to keep our services running safely, whilst continuing to provide excellent care to patients and families.

One of the few benefits of the pandemic is that it has forced rapid changes in how some things can be done, and we must make sure we do not revert to old ways where the new ones have been shown to be better. We reacted swiftly to adapt our services and through the rapid

introduction of technology, we were able to continue to see patients by utilising digital consultations and only visiting when absolutely necessary to protect the safety of everyone. The COVID-19 pandemic has accelerated this digital development within St Luke's, and perhaps this has given us the push we needed to consistently deploy digital methods throughout the organisation. We have certainly picked up the pace and will continue to introduce digital solutions across all our areas.

The pandemic has shown the ability of health and social care organisations to further develop integration and collaboration. St Luke's has displayed extraordinary adaptability to meet the demands resulting from COVID-19 through stronger partnership working with our NHS colleagues, health care providers and other charities, to ensure we place the patient in the centre of everything that we do. We are grateful for the financial support we have received from NHS England as this investment has enabled us to continue to provide our services

"The pandemic has shown the ability of health and social care organisations to further develop integration and collaboration...."

"In the year ended 31 March 2021, the charity was able to see **1,980 new patient referrals** which resulted in the delivery of **3,805 individual episodes of care.**"

to patients and families, whilst taking the pressure off the care system, helping the wider NHS to keep their services running and allowing people to get the support they need.

The COVID-19 pandemic continues to have a profound impact. However, there are more positive signs with an earlier than expected widely available vaccination, and the potential lifting of government restrictions. As the lockdowns are now slowly being relaxed, we are monitoring ongoing developments of the pandemic and putting in contingency plans with different scenarios, and through our COVID-19 response team, update them regularly.

We are committed to our transformation plans, which have been developed in line with our strategic plan and a response to the pandemic and the uncertain economic times we face. The COVID-19 has called for us to accelerate rather than slow the pace of our transformation plan. The programs we have established have already begun to produce results. We will pursue these with rigour to ensure the future sustainability of the organisation along with our ability to adapt and remain resilient.

As a charity we are committed to providing patients' quality end of life care with professionalism and compassion, so that we are part of a community where no one dies alone, in pain or in distress. To that extent we have had a very successful year. In the year ended 31 March 2021, the charity was able to see 1,980 new patient referrals which resulted in the delivery of 3,805 individual episodes of care, this compares to 4,324 episodes of care in the previous year; a decrease of 12% due to the transfer of our Lymphoedema service and funding to Livewell, which resulted in a reduction of 553 referrals. This was offset by the impact of COVID-19 on referrals to the Hospital team which saw an increase of 135 referrals (11%) as a result of St Luke's helping ease the pressure on the hospital in dealing with end-of-life patients.

If we compare activity on a like for like basis (excluding Lymphoedema) the Charity delivered 1% less episodes of care than the previous year, mainly due to a reduction in referrals at the start of the pandemic and then in the second lockdown.

The total cost of our clinical services provision was £5,875,312 for the year, compared to £5,964,389 in the previous year, a decrease of 1.5% (2020 5.1% increase).

Some of the highlights of the past year are summarised below:

3,805 patient referrals in the year, 1,980 individual patients received our care. We saw an 11% increase in hospital patients to provide clinical support within the acute trust, during the COVID-19 outbreak.

We have collected feedback on our clinical services via "I Want Great Care", and our patients and their families tell us that our service is outstanding (our average rating is 4.96 out of 5; 2020 4.92), across all our clinical services.

COVID-19 had a considerable impact upon our ability to deliver education programmes externally in that from April – September we could only provide essential training to our internal staff (313 sessions) apart from a minimal number of bespoke mandatory skills sessions for private care providers. Despite the restrictions, our external education services trained over 593 (2020: 1866) external parties / individuals in the year, demonstrating our influence on those patients we were not able to see directly. During this period, our clinical educators were also part deployed to clinical teams across the service to support the COVID-19 response. Our external numbers improved when we were able to start delivering virtual training for Health and Social Care professionals on our End of Life and

Palliative Care University Modules, Six Steps Care Homes and Compassionate Friends programmes alongside gradually increasing our face to face, EoLC skills training to care homes once safe to do so.

Building upon the success of establishing compassionate end of life community support networks during 2019, the networks have grown and have been invaluable in supporting the most isolated and vulnerable during the pandemic.

Our investment in our clinical workforce continues with the introduction of two nurse consultants during the year to support the work of our medical teams and we are moving forward with our plans for them to support the on-call rota for our in-patient service. As part of our plans for transformation we have commenced an ambitious review of our clinical model of care to ensure we can adapt to the increasing needs of our community and flex to any new challenges.

As part of our response to the COVID-19 pandemic, we did not only maintain our clinical services but increased our capacity as part of local surge plans. During the crisis, we are proud that our clinical teams adapted and introduced new ways of working to support end of life patients in all settings within our community.

"As part of the wider health/care network response to the pandemic we played a key role in the development of the clinical model for end-of-life care for the Nightingale Hospital for Exeter..."

As part of the wider health/care network response to the pandemic we played a key role in the development of the clinical model for end-of-life care for the Nightingale Hospital for Exeter and in the creation of educational resources for generalist health care staff on specific end of life issues related to COVID-19.

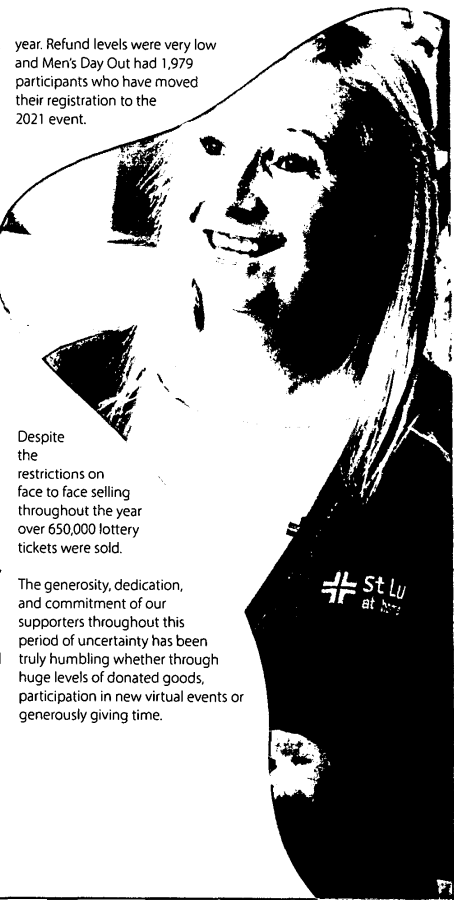
Major disruption in our ability to trade across retail over the last year accelerated decisions within the five year strategic plan. Where shops were at risk of not delivering sufficient surplus going forward, leases were not renewed at end of term. The properties concerned were Stoke, Higher Compton, Whiteleigh, Honicknowle, St Budeaux and Modbury bookshop.

The warehouse facility at Plympton was closed with a sale agreed to complete in June 2021. All donated goods now go directly to shops and then on from shop to shop depending on need, thus reducing overheads.

Fundraising through community events, mass participation and corporate support were severely impacted by social distancing measures, however our supporters moved to alternative ways of giving which resulted in general donations increasing above original budget and previous year levels.

All fundraising mass participation events were cancelled, and people already registered were offered refunds or added to the event for the following

year. Refund levels were very low and Men's Day Out had 1,979 participants who have moved their registration to the 2021 event.



Despite the restrictions on face to face selling throughout the year over 650,000 lottery tickets were sold.

The generosity, dedication, and commitment of our supporters throughout this period of uncertainty has been truly humbling whether through huge levels of donated goods, participation in new virtual events or generously giving time.

Financial Review

Financial year 2020/21 was dominated by COVID-19 and the organisation's response to the pressures faced due to the global pandemic.

Our income generation activities, particularly retail and fundraising events were severely curtailed, with government restrictions throughout much of the year having a significant impact on our financial results.

Due to the uncertainty of the situation, particularly in the early stages of the pandemic, the hospice understandably took a prudent approach to spending and commitments during the year, this has in part resulted in strong financial results.

Alternative funding streams became known as the pandemic and the government's response to it evolved, with the hospice being supported through national funding streams such as furlough grant, business rates grant, as well as some additional help from the CCC throughout the first three quarters of the year, we were forecasting significant deficits, in line

with our COVID-19 Emergency Budget which was in the region of £1m at times it was feared that an even higher deficit was possible. However in the final quarter of the year two major funding streams were confirmed.

These were grants from NHSE obtained through hospice wide negotiations with Hospice UK plus the legal challenges around business interruption insurance claims which gradually became resolved, resulting in a successful insurance claim in relation to the enforced closure of our 34 shops during the first lockdown. It should be noted that the significant income streams mentioned above are non-recurring, so the post-COVID-19 recovery of our income generation activities is paramount to our future success. Support for our shops and major events will be closely monitored and plans adapted as appropriate.

We are particularly grateful for the one-off funding received from NHSE through negotiations with Hospice UK in the form of the COVID-19 support grant. The NHSE awarded funding to allow the hospice 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. These grants enabled us to continue to deliver our clinical services during a very difficult year, whilst our income generating retail shops were closed, and our events cancelled.

The generous donations from our supporters which increased this year, kept us going in the early days of the pandemic, when additional external funding was far from clear – for this we are extremely grateful. Generous local support remains a staple funding stream of the charity and likely even more so, as we wait to see how we recover from the impacts of the pandemic and on our ability to raise our own funds through our shops and much-loved events.

In summary, a prudent approach to spending, the government support we received, a successful business interruption insurance claim and the recovery of our investment portfolio from a COVID-19 driven reduction in value that we suffered this time last year, resulted in the hospice ending the financial year in a surprisingly strong position.

The organisation made an overall surplus of £2,449,587 (2020 – surplus of £2,449,587), which is after including gains on investments of £478,508 (2020 – loss £179,074). This surplus was achieved after charging depreciation of £418,067 (2020 – £425,906), of which £256,807 (2020 – £284,171) was buildings depreciation which was

funded by designated reserves. Without the one-off external COVID-19 support received, the hospice would have made a loss of £1,137m.

Income generation, excluding charitable activities, has seen a significant reduction on last and previous years' levels due to the pandemic. Overall income from trading activities reduced from £5,014,884 in 2019/20 to only £1,492,722 in 2020/21. A reduction of over £3.5m (70%) in our trading income, predominantly as a result of the enforced shop closures and the cancellation of our main events.

Donations and Bequests achieved £2,705,880 in the year compared to the previous year of £4,722,488 and although still a strong income stream, this was a significant reduction (43%) from the previous year, where we saw the inclusion of a single disproportionately large legacy of over £1.5m. In 2020/21 the hospice recognised total bequests of £1,595,710 (2020 – £2,998,948) in the year, against an original budget of £1,750,000. For pecuniary legacies, the recognition point is normally when notification of the grant of probate is received, and residuary legacies are normally recognised when draft estate accounts are available or other suitable information which allows the legacy to be measured with reasonable accuracy. Legacy income of just over £40,000 has been recognised as income in the accounts where cash will be received after the year end.

"The hospice understandably took a prudent approach to spending and commitments during the year; this has in part resulted in strong financial results."



Fundraising income decreased by over 35% to £1,109,670 (2020 - £1,723,460), which was attributable to reductions in funds raised via events, major donors and regular giving due to the pandemic.

The cost of raising funds, excluding investment costs, reduced from £4,989,322 to £3,823,126; a reduction of 23% in the year, this was due to the closure of our shops for most of the year and the cancellation of our fundraising events. Fixed costs such as staffing, rent, IT and insurance remained, although some staffing costs were covered through the furlough grant. Due to the stark impact of COVID-19, we will drive the efficiency of our activities harder in the current year, we have made important progress in this area

with the closure of our retail warehouse at Plympton as well as the closure of six of our less profitable shops in the year.

Many of the charity's shops are leased and the related contracts require certain levels of repairs and decoration to be undertaken prior to the shops being returned at the end of the lease. During 2019/20 it was identified that the level of provision set aside for existing liabilities in relation to these shop leases was not adequate and the position was therefore reviewed, with an additional sum added into the charity's provision balances at the year end. The review of our Retail operation resulting in the closure of six shops and the imminent sale of the retail warehouse, resulted in a reduction in this provision of £132,875. Further details are shown in Note 21.

Due to the overall surplus in the year, total reserves have increased to £11,906,703 (2020 - £9,193,244). The surplus in the year has been driven by the one-off income streams received to assist with the pandemic. As a result of this we have designated some of our free reserves to meet our strategic objectives.

We continue to designate funds for service-based and invest to save projects which will be used to broaden our reach to a wider population and to invest in the continuous improvement of our services.

"Financial sustainability is one of our key objectives; to that end we are progressing through a transformation project to ensure we work as efficiently as we can..."

In line with our strategy, we will invest to take advantage of technology to continually improve the care we provide.

Financial sustainability is one of our key objectives; to that end we are progressing through a transformation project to ensure we work as efficiently as we can and to take advantage of some of the agile working principles that were forced on us as part of our response to the pandemic. This will require investment particularly in our accommodation, as we reduce our real estate from three major premises to just the one at our Turnchapel site. We have designated to our Invest to Save fund for the reconfiguration of our Turnchapel site to provide an agile working environment for all our staff.

We continue to designate reserves to smooth the impact of our annual bequest income, which is highly volatile and difficult to predict with any certainty. We hold a building reserve fund to help ease the ongoing liabilities that come with owning some of our operational assets and are embarking on our 5-year capital plan which will see a number of large items of expenditure, such as replacement of our generator, upgrade to our lifts, and investment in the parking and gardens at Turnchapel.

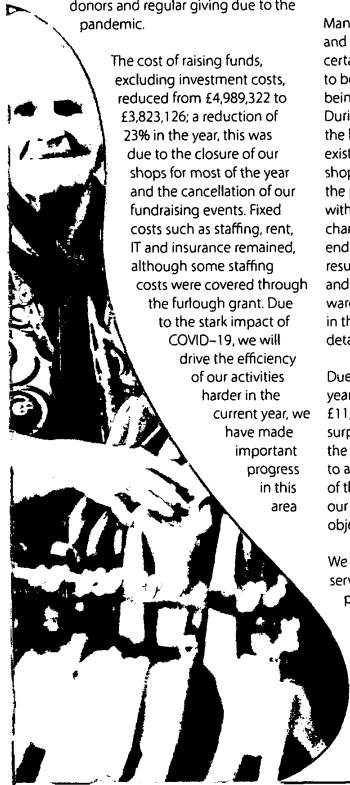
We also earmark reserves for our income generation ventures, to create sustainable sources of income in a changing climate.

We have set up three new designated funds this year, mainly to accelerate the clinical quality agenda where we aim to use data to understand our clinical service's unmet need, this will help drive the future strategy of the hospice and inform the best use of our free reserves.

Following movements on designated funds, our general funds have increased from £819,658 to £2,699,314, an increase of £1,879,656 in the year. Our unrestricted funds, which are made up of free and designated reserves are £11,855,684 at year end, an increase of £2,692,507 in 2020/21. This includes the investment revaluation reserve; although investments are held on a long-term basis, the portfolio is considered to be readily convertible and as such is included when calculating free reserves. Designated reserves, if uncommitted, are able to be undesignated should circumstances change and hence can be deemed as usable. As at 31/3/2021 free and uncommitted reserves, represent 10 months of expenditure based on the organisation's total budgeted running costs for next year.

The Board changed its Reserve Policy in 2016/17, to reflect a more risk-based approach. Pre COVID-19, free reserves of at least £2.6m were required however, this increased temporarily to £4.5m because of the initial and severe uncertainties the pandemic had on the hospice's finances, this has now reduced to a £3.7m minimum risk requirement as we come through COVID-19 in to a more stable situation. The Board is pleased to note that we are in excess of the minimum requirement.

The Board is extremely pleased with the financial performance in the year, and this reflects the determination of both the Board and the senior executives to ensure that the organisation remains financially sustainable throughout the pandemic and in the longer term.



Performance of **Our Services**

In the year ended 31 March 2021, the Charity was able to provide 3,805 (4,324 in 2019/20) individual episodes of care to 1,980 individual patients.

The Lymphoedema service and funding was transferred to Livewell on 31/3/2020, this accounted for 553 episodes of care last year, last year's comparator is therefore 3,771. Hence, the Charity provided 34 (1%) more episodes of care, on a like for like basis, than the previous year.

A number of significant differences arose during the year, firstly the removal of our Lymphoedema service partly offset by the impact of COVID-19 on referrals to the Hospital team, which saw an increase of 135 referrals (11%), this was as a result of St Luke's helping support the management of COVID-19 patients at end of life to ease the pressure on the hospital. Our End of Life Urgent care Service (EOLUCS) saw a reduction

of 42 (-6%) episodes of care and IPU 30 (-12%) due to the impact of the pandemic where referrals for these services dropped considerably at the start of the pandemic and again but less so, at the start of the second lockdown.

Although our overall episodes of care have not significantly increased, it is important to note that all our services have had to adapt significantly in their approach to deal with patients being referred significantly later in their disease trajectory with much of the support they would normally receive from NHS services being impacted by the pandemic. We are proud of the way we have adapted our services to support end of life patients during this pandemic. The total cost of our clinical services provision was £5,875,312 for the year. The following table gives more information.

LAST YEAR WE CARED FOR


1,980
PATIENTS

 WE CARED FOR
1,106
PATIENTS AT HOME

4400 VISITS TO WARDS
AT DERRIFORD


74%
OF OUR PATIENTS
HAD A CANCER DIAGNOSIS


Our clinical activities			
	2021	2020	2019
In Patient Care			
Patients (referral open see note 1 below)	216	246	203
Admissions	216	260	212
Deaths	149	191	150
Discharges	67	70	59
Occupied bed days	3021	3434	3707
% Occupied	69.00%	78.10%	84.63%
Average length of patient stay (days)	10	13.8	17.5
Community Services (Including Social Care & AHP patient support)	2021	2020	2019
Patients (referral open)	1578	1603	1415
Patient/Carer visits	4377	5434	6254
Patient/Carer phone calls (Duty Nurse commenced 02/11/2016)	21646	14714	12740
Professional liaisons	6460	9896	11061
EoL in the community, Including Care package	2021	2020	2019
Patients - See Note 1 below	658	700	486
Accepted referrals	870	844	611
End of Episode Preferred place achieved			
Patient visits (by professional)	10494	11862	4917
Hospital Services and Medical Outpatients	2021	2020	2019
Hospital SPC service			
Patients referred	1317	1182	1016
Support contacts	4400	3498	4406
Medical Outpatients			
Patients	36	40	52
Attendances	59	66	140
Other Clinical support	2021	2020	2019
Bereavement Support Contacts (including telephone calls)	1904	1131	1558
Lymphoedema			
Patients (active)		553	601
Palliative care appointments (attended)		133	177
Palliative care appointments (Hours)		103	128
NHS contracted appointments (attended)		1750	1623
Education	2021	2020	2019
No of internal individuals trained in the year	313	2416	2188
No of external parties/individuals trained in the year	593	1866	1910
No of training sessions on National/Regional projects, local forums & conferences etc	155	265	254

Note 1 - In rare cases there may be a slight chance of double counting

Risks

We continue to be faced with challenges and uncharted waters as we progress through the impacts of the COVID-19 pandemic.

We will continue implementing alterations and plans to protect the safety and well-being of our patients, staff, volunteers, and wider community, adapting each day to follow Government and NHS guidelines.

Our income generation activities have started to recover from the impacts of lockdown and other restrictions, however the medium to long term impact on the high street and fundraising events remain unknown, so we continue to be cautious in our future years' budget assumptions. We know we are facing a period of unpredictable and possibly muted economic recovery with new competitive threats and opportunities.

Against this backdrop we face the complexity of limiting the effects of COVID-19 on our financial position, and the need for us to operate more efficiently knowing that all our income streams will be even more unpredictable for the foreseeable future.

With the changes that are happening within the NHS, there is a growing likelihood that we will see additional competition for NHS contracts from private, public, and other volunteer organisations. Although it would be difficult for organisations to deliver end of life care if it's not their speciality, we must constantly stress the added value of our charitable funding. Our reputation is high, trust and respect have been built up over a considerable period of time with government and local donors and agencies, the challenge will always be about protecting our reputation and brand.

Commissioners are increasingly looking at efficiencies and value for money in the services we deliver. It is essential we maintain appropriate management information to demonstrate the scope of our reach, and also further develop patient outcome measures to show the difference we are making to patients as a result of our intervention.

In Devon we have an ageing population. Population projections suggest the number of residents aged 65 to 84 years will grow by 17% by 2025. The number of adults aged over 85 years is expected to grow by as much as 29%. Meeting these increased needs without a significant increase in funding will be challenging, we

"In Devon we have an ageing population. Population projections suggest the number of residents aged 65 to 84 years will grow by 17% by 2025."

know we will be unable to cope with all this demand unless we consider appropriate partnerships and collaboration with existing providers. This brings many challenges around having appropriate agreements, whilst also protecting our own brand and image and our ability to generate income.

Even without the current pandemic, we acknowledge that income generation is getting more and more challenging, and we have set about putting in a series of measures to manage this risk/challenge. We will continue to look at diversifying our income streams, and we are proactively investigating new ways of generating more sustainable forms of income.

Internally, with the recent and ongoing changes within our transformation programme, there is a risk that we disengage with some staff who may struggle with the pace of change that has occurred during this pandemic. To manage this risk, there has been an increased focus on internal communications, at all levels, to ensure that information is effectively disseminated through the organisation and that staff understand the direction of travel.

The recruitment and retention of key staff is another risk that we have identified, we know there is a shortage of clinical staff and the current labour market favours those looking for employment, therefore we are seeing less applicants for jobs we advertise, compared to the local market. We continue to measure the wellbeing of our staff via a variety of measures. With the recruitment of clinical staff becoming more challenging, we are working on a number of key measures to mitigate this risk. These include return to practice placements for clinical staff,

apprentices, work experience and a more flexible approach to hours and days of work.

The recruitment of volunteers is proving to be more and more difficult, especially in retail. This has been recognised by the teams and initiatives have been implemented to both attract and retain volunteers. A series of open days, setting up of a volunteer forum and recognising individual volunteers is proving very beneficial.

The Organisational Risk and Audit Committee reviews risk, internal controls, approves the risk-based internal audit plan and receives regular internal audit reports, progress reports and corporate risk updates. Senior management review key strategic and operational risks on a regular basis. They consider progress on mitigating actions, new and emerging risks and opportunities. Board subcommittees and management groups help identify, evaluate, and manage risks relating to clinical services, fundraising, investments, business continuity, health and safety, remuneration, major infrastructure and IT projects and operational needs.



Our Strategic Aims

We embrace our responsibility to meet the specialist palliative care needs of our patients and their families through excellent, personalised patient centred care.

We have developed significant partnerships with our partners from the NHS, social care, the voluntary sector and other healthcare providers in order to deliver a seamless service for our patients.

We are aware of the challenges that lie ahead with the significant demographic changes within our local population along with developments within the health and social care sector, which include the following:

- a growing elderly population with complex care needs;
- increased levels of unmet need for end of life care;
- number of adults aged over 85 years expected to grow by as much as 29% by 2025;

- the gap between people's preferred place of death and their actual place of death;
- the rise in dementia related deaths;
- significant constraints on the level of state resources for health and social care in the future;
- shortage of skilled staff and many clinical staff due to retire in the next 10 to 15 years;
- lack of coordinated care and difficulties in the sharing of information, and
- increased regulation and scrutiny, e.g. the new CQC's inspection regime.

Our 2019-24 strategy underpins our desire to meet the increased demand and overcome the challenges we face across the communities we serve, and place patients, their families, and communities at the heart of our care.

We will continue to become more patient and person-centred, knowing that for patients and families to live and eventually die well, they need to be resilient and have a strong sense of coping. This means putting our

"We are fortunate to have a workforce of staff and volunteers who are committed, passionate, professional and focused on giving an excellent service."

patients and families at the centre of decisions, recognising the importance of 'what matters to someone' and not just 'what's the matter with someone'.

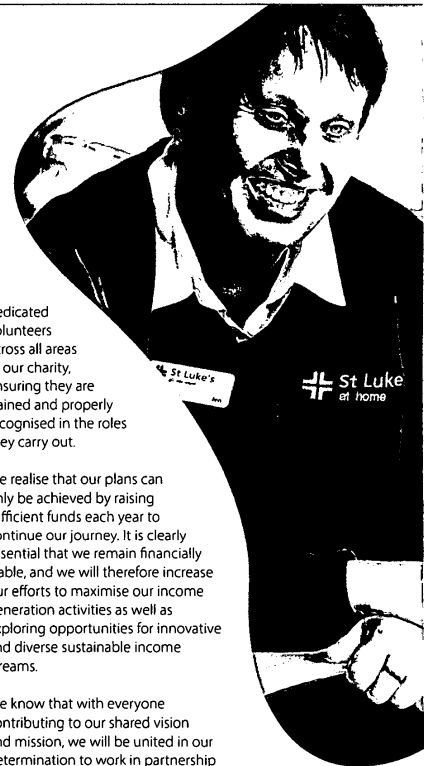
We are proud to be embedded within our local communities and recognise that we will be unable to deliver our ambitions alone, so we must work in partnership with others to further our vision. We will do this by sharing best practice, educating other healthcare professionals, and joining with other organisations to deliver more comprehensive and integrated services for the benefit of all our patients and their families.

Right across St Luke's, we are fortunate to have a workforce of staff and volunteers who are committed, passionate, professional and focused on giving an excellent service to all our users. We know we need to continue the development of our workforce to achieve the flexibility and responsiveness required to meet the changing needs and preferences of those we care for and support. We will also continue to make the most of our

dedicated volunteers across all areas of our charity, ensuring they are trained and properly recognised in the roles they carry out.

We realise that our plans can only be achieved by raising sufficient funds each year to continue our journey. It is clearly essential that we remain financially viable, and we will therefore increase our efforts to maximise our income generation opportunities as well as exploring opportunities for innovative and diverse sustainable income streams.

We know that with everyone contributing to our shared vision and mission, we will be united in our determination to work in partnership with others to achieve dignity, comfort and choice for people affected by a life limiting illness.



Our Strategic Goals

In our strategic planning, the challenge has been to find the right balance between continually developing our services and finding ways to respond to the increasing demand in a climate of severe funding pressures.

However, with continuing uncertainty, especially with COVID-19 and the NHS and local commissioning, we recognise the potential need to revisit our goals and objectives during the year and operation of the plan.

We have identified nine strategic objectives that will help us consolidate and move towards our mission and vision. These have been directed by three broad but far reaching strategic priorities:

Care for you and those who care for you

We will provide excellent, safe personalised end of life care that puts patients and families at the centre of decisions.

We will work in collaboration and develop partnerships to extend our influence and improve understanding and support for everyone in our community affected by a life limiting illness.

We will use digital technology to support the delivery of care and advice to patients, and the health and social care professionals looking after them.

We will ensure equity of service so that patients and families can access our services equally regardless of condition, background, gender or religion.

To be an employer of choice

We will recruit and develop our clinical workforce to ensure they have the right skills, experience and attributes required for delivering care in a rapidly changing healthcare environment.

We will continually invest in the development and engagement of our staff and volunteers in order to deliver an excellent service to all our users. We will continue to develop a values

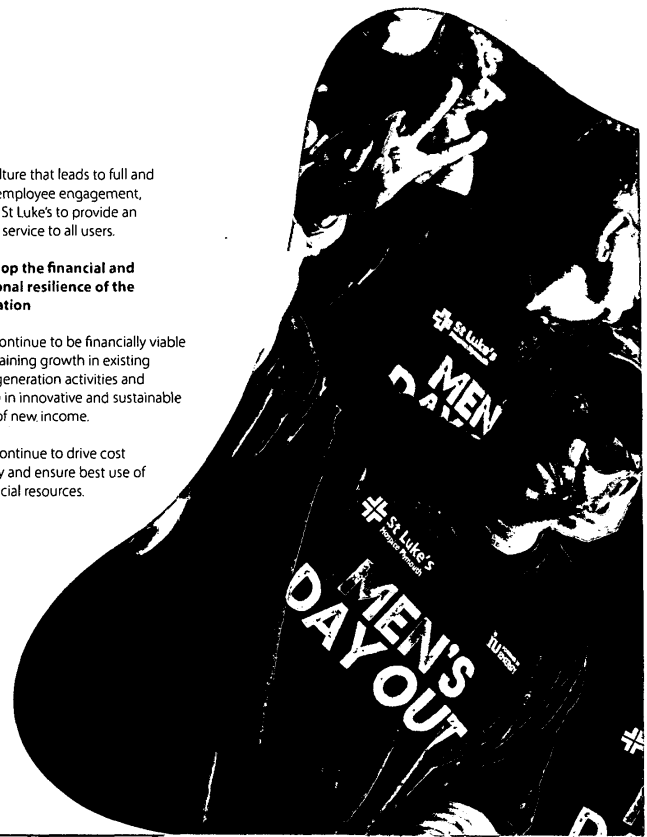
“With continuing uncertainty, especially with COVID-19 and the NHS and local commissioning, we recognise the potential need to revisit our goals and objectives during the year.”

based culture that leads to full and positive employee engagement, enabling St Luke's to provide an excellent service to all users.

To develop the financial and operational resilience of the organisation

We will continue to be financially viable by maintaining growth in existing income generation activities and investing in innovative and sustainable sources of new income.

We will continue to drive cost efficiency and ensure best use of our financial resources.



Key Management Personnel

The key management personnel that the Board has identified consist of the Senior Management team.

The Board of Trustees are responsible for setting remuneration levels for the charity's senior staff. The key objective for St Luke's Hospice is to ensure that our approach offers fair pay to attract and keep appropriately qualified staff to lead, manage, support and/or deliver our objectives.

In deciding Senior Management team remuneration, as a Board of Trustees we have considered:

- The purposes, aims and values of the charity and its beneficiary needs
- How this remuneration impacts on the overall pay policy for all employees and for the Senior Management team in particular
- The types of skills, experiences and competencies that St Luke's needs from its Senior Management team, the specific scope of these roles and the link to pay

- The charity's current strategic plan and how the implementation of this plan may affect the number of senior staff the charity needs to employ or recruit and the nature of these roles

- The charity's ability to pay and that any pay increase is in the context of St Luke's charitable purposes

- The Board's assessment of the charity's performance and the Senior Management team's performance against expectations, in both short and long term

- Appropriate available information on pay policies and practices in other organisations that can inform the decision on whether a level of pay is fair and reasonable. This has been achieved through using independent salary surveys, such as Croners, as well as carrying out local and national pay comparisons with other private, public and charitable organisations including other hospices.

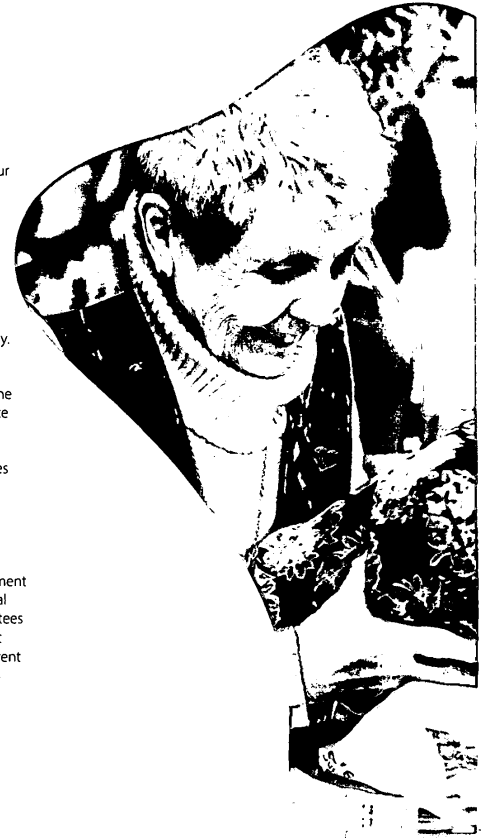
- In 2018/19 we undertook two focussed salary reviews; one for our clinical staff, using NHS pay

"The key objective for St Luke's is to ensure that our approach offers fair pay to attract and keep appropriately qualified staff..."

as the benchmark and one for our non clinical staff where we used national and local pay data to assess the appropriateness of our pay. As a result of these reviews pay for some of our clinical and non clinical staff was updated. A review is now undertaken each year and salaries adjusted where necessary.

In addition to the points listed previously and in accordance with the Statement of Recommended Practice (SORP), St Luke's Hospice Plymouth, within our audited and published annual report and accounts, discloses the number of employees whose remuneration exceeds 60,000.

With a Senior Management team pay scale established and with the performance of the Senior Management team formally reviewed on an annual basis against set objectives, the Trustees of St Luke's Hospice are satisfied that there is appropriate, robust, transparent and fair remuneration in place for its Senior Management team.



Employee Involvement

There is a successful cascade of information through the organisation from SMT (Senior Management Team), SLT (Senior Leadership Team) and OMG (Organisational Management Group) to teams.

There is an established communication network across the wider organisation. This includes through the Intranet and TV screens in breakout areas, showing Steve's (CEO) Spot and regular articles. During COVID-19, text messages were introduced to provide

important updates on government restrictions, testing and advice, which was highly successful and has continued to deliver messages of thanks and also transformation updates.

Staff and volunteers were encouraged to join "Open Mic" sessions to share their individual experiences during the COVID-19 lockdowns; as a diverse organisation we had staff who continued to provide patient care in the hospice and in the community throughout the pandemic, conversely, staff in our income generation areas were put on furlough and support staff had to adapt to working from home – all situations brought different challenges so the "Open mic" sessions were a great forum for sharing feelings and issues.

"During COVID-19, text messages were introduced to provide important updates on government restrictions, testing and advice."

Staff consultation is undertaken via staff surveys, health and wellbeing surveys, feedback from SLT and OMG regarding views within teams. Going forward Steering Groups are to be established for Health and Wellbeing and Equality and Diversity. A Volunteer Forum is already established, and a Staff Forum planned.

Employee engagement is monitored through the staff survey, with results and comments used to address any issues arising. For example, non-clinical pay was identified as an issue in a recent staff survey, resulting in management action being taken to benchmark all non-clinical salaries on an annual basis, proposing incremental increases where comparators indicate this is appropriate.

Financial and other performance information is shared through the management cascade from SMT to the operational levels within the hospice. As a charity, our staff are motivated and focused on the patient experience and putting them at the heart of everything we do, this drives employee motivation and underpins the culture of St Lukes.

Our Equality and Diversity policy sets out the standard we expect our organisation to work to, to ensure that no job applicant, member of staff or user of our services receives less favourable treatment, and to ensure that no job applicant, member of staff or user of our services is disadvantaged by conditions or requirements which cannot be justified. We have demonstrated our commitment to disability equality through the achievement of the Disability Confident Award.



Fundraising Practices

St Luke's Hospice Plymouth is registered with the Fundraising Regulator and complies fully with the Code of Fundraising Practice. We are registered with the Gambling Commission for the delivery of our Lottery at a retail and have a remote and non-retail operating licence.

There have been no reportable incidents or any failures to comply with the required standards.

We encourage all supporters or members to be contact us with any comment or complaint, or the first instance to the St Luke's team member and then through our comments and complaints procedures, as published on our website. In the last year there has been 1 reported incident, 1 complaint and 0 concerns raised in regard to fundraising and Lottery.

We monitor incidents, complaints and concerns through a central database, managed by the Head of Quality & Compliance. The Commercial Director and Head of Fundraising are also notified of all occurrences and details reported to the Senior Management and

Senior Leadership Teams at monthly meetings.

During the year we used the Mercy Saving Hub based in Plymouth, a remote tele-sales canvasser as well as self-employed and voluntary collectors. All third party fundraisers are signed up to an annual contract and fundraising standards. Failure to comply with any contractual or regulatory standards are investigated in line with the Lottery Policy and the hospice's own procedures. All fundraisers have returned to weekly mentoring and monthly visits now that lottery canvassing has recommenced.

We believe in the highest possible standards for our fundraising, considering supporter preferences in all of our activity, ensuring that all of our activity is compliant with regulatory standards and in line with the intent of those standards.

"St Luke's Hospice does not sell any personal data of any kind to any third parties nor do we share supporter or beneficiary data for marketing purposes"

Personal Data

St Luke's has responded to the introduction of GDPR and refreshed all supporter consents and privacy statements to ensure compliance. The new regulation came into force in May 2018.

St Luke's Hospice does not sell any personal data of any kind to any third parties nor do we share supporter or beneficiary data for marketing purposes. We do share information with organisations working on our behalf to deliver services that supporters and beneficiaries have requested and always inform the supporter or beneficiary of what we are doing.

Protecting vulnerable people and others

St Luke's has robust practices that ensure that we do not undertake any intrusive fundraising activity. We may from time to time undertake a telephone campaign or mailing. All campaigns are undertaken using telephone preference service and mailing preference services and we ensure that within one year no person will receive what could be considered an intrusive or excessive number of contacts.

Existing supporters receive communications and contacts from St Luke's based upon their personal preferences shared with us or where relevant under legitimate interest.



Plans for future periods

With the easing of lockdown restrictions, we are now in the restoration and recovery stage, working towards business as usual, in what will no doubt be a new normal for all organisations.

We will be cautious of how we manage this ensuring the health and safety of everybody whilst abiding by government rules. This involves comprehensive risk assessments of people and workplaces, and putting in measures, training, and supervision.

With the reduction in our premises, we will continue to implement a more agile approach to working for our staff, certain staff whose role can be carried out more remotely, will be encouraged to work in a more flexible way with regards location, which could mean home or at one of our other bases.

Whilst we work through our transformation of our services and processes, we will continue to support patients in the community through the use of digital technology, introducing mobile monitoring devices and digital devices to communicate with patients and families.

The reopening of our retail operation has successfully been carried out, observing all government advice and guidance, to keep everybody safe. With the reopening of our shops, we still face competitive threats and opportunities, due to the fast-changing shifts in cultural norms and societal values and behaviours. This reopening of our retail will require a period of reinvention. This presents an opportunity in how we review our total operation and our portfolio of shops, to ensure they can meet any legislation regards COVID-19 and be profitable going forward whilst identifying new growth pathways.

We will continue to build and invest in our competencies around digital transformation, using IT to improve our efficiencies and systems, with the aim of improving our business practices. We will continually streamline our processes to eliminate any unnecessary duplication and through our information governance meetings review our systems, simplifying the way we operate and removing any processes that do not add any value to the organisation.

We will also investigate new partnerships and collaborations with other hospices, charities and providers

“Even with the initiatives we put in place for more equitable access and delivery of care we will not be able to meet all the demands with people living and dying with multiple conditions.”

that could reduce some of our overhead costs or generate new economies of scale.

We will ensure that our clinical digital systems are able to be accessed by appropriate other health and care services so that clinicians are able to make informed decisions for the benefit of the patient, assuming we have the patient's consent for the sharing of such data.

We acknowledge the significant challenges facing us which are unprecedented, with a rapidly ageing population who are living longer with increasingly complex needs at the end of their lives. This changing demographic is set against the economic realities facing our country and our health care services and how services will be delivered in the future.

We will continue to build upon the progress we have made in becoming more patient and person centred, knowing that in order for patients and families to live and eventually die well they need to be resilient and have a strong sense of coping. Evidence shows that better outcomes and experiences are possible when people have the opportunity to actively shape their care and support.

Our priority is to provide specialist care in the last days of life for those who have the greatest need, but we also aspire to ensure that everyone has access to appropriate care and support at the end of life, and we therefore provide education, general support services

and advice to patients, professionals and carers. We will continue to develop a public health approach to end of life, building partnerships between health and social care services and communities in recognition that death, dying, loss and care take place in everyday life within the family and community, at home or at work, in villages or other settings, activities and experiences.

With the introduction of Integrated Care Systems (ICSs) we know that collaborative and strategic partnerships will be critical in helping drive improvements in end of life care. We are committed to supporting the system for the benefit of all patients, ensuring we work in a collaborative way with all health and social care organisations, to ensure where possible a smooth transition of patients through the different services.

It is recognised that even with the initiatives we put in place for more equitable access and delivery of care we will not be able to meet all the demands with people living and dying with multiple conditions. We will continue to engage with a wide range of organisations whose actions alongside our own will shape people's experience of care at the end of life.

We will continue to develop a comprehensive workforce implementation plan to ensure we have a sufficient supply of clinical staff to meet future demands. The plan will also incorporate the skills required by professionals to reflect the changing

needs of people to continue to provide high quality care in new ways. We will constantly review our clinical workforce and the care models we operate to ensure we are targeting our specialist workforce to those who have the most complex health and social care need, thus achieving a balance between specialist and generalist clinical staff which better matches patient need.

Volunteers contribute across a range of St Luke's roles from befriending and shop volunteers to trustee and transport

volunteers they enable staff to deliver high quality care that goes above and beyond care services. We will further develop our volunteering initiatives which will include well designed and managed volunteering programmes, the rollout of mandatory training for certain groups of volunteers and development opportunities that are good for them and good for the hospice.

We want to further develop the financial and operational resilience of the organisation by maintaining growth in existing income generation activities and investing in innovative and sustainable sources of new income. We also want to ensure our retail strategy responds to the ongoing changes in customer shopping habits by increasing income from online platforms and adjusting our property portfolio and retail offer to reflect the local demographic profiles.

Reserves Policy

The Board reviewed its reserve policy in 2016/17 to adopt a more risk-based approach. As a mature organisation with a variety of established income streams and predictable and well planned expenditure, the Trustees consider it most appropriate for the hospice to operate a reserves policy centred on an analysis of the potential risks to the amounts of those income streams and of the potential risks of over expenditure. The risks to the hospice's key income and expenditure lines are therefore estimated in order to quantify the reserves that are required, this gives the total risk reserve requirement.

From this risk-based exercise, and in light of the ongoing COVID-19 pandemic, the Trustees determined that the hospice requires a risk reserve of £3.7m for 2021/22, (£4.5m 2020/21). Our usual level of risk reserves pre COVID-19 was £2.6m. The increased levels we have set aside over the last year covers risks over and above the budget that are not possible to foresee at the point the budget was

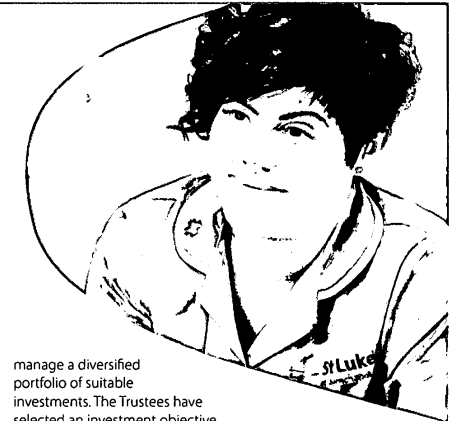
set, such as, if the Retail operation is unable to trade in line with our budget assumptions, the risk of not being able to hold our flag ship or smaller events, the negative impact on all other income streams as well as the potential increase in costs due to the ongoing impact of COVID-19. The reduction this year of £0.8m in the annual risk reserve, represents an estimate of the reduced risk that we believe we now carry in respect of the pandemic.

During the year we changed our depreciation policy, we now designate reserves to fund all depreciation not just depreciation of our buildings.

Any level of reserves in excess of the risk reserve requirement will be designated to ensure sustainability and develop new and improved services in line with the needs and preferences of patients living with and dying from advanced incurable illness. Following an unexpectedly successful financial year, reserves spending will step up in an informed way following our initial investment in better understanding our data, the results of this piece of work will inform our strategic plans to address any unmet need in the area we serve.

Investment Policy

An investment policy is in place, which is reviewed annually by the Trustee Board. St Luke's Hospice keeps reserves in excess of working capital requirements in line with its reserves policy and in line with the hospice's investment policy, these funds are invested. The Trustees have appointed Brewin Dolphin as their agent to



manage a diversified portfolio of suitable investments. The Trustees have selected an investment objective of a balance between income and capital growth. Global investment markets have seen a sustained period of economic volatility and we work closely with Brewin Dolphin to manage these risks as well as taking up opportunities for income and capital growth.

Due to COVID-19 and the impact it had on the economy and investments at the very end of last financial year we saw a drop in value of 21% in the final quarter of the year 2019/20. The current year has seen a marked recovery; however, we anticipate ongoing fluctuations as a result of the volatility that remains within the markets.

We are encouraged to report that the value of investments at the year-end was £2,145,217. A realised gain of £478,508 has been reported in the Statement of Financial Activities for the year (2020 - loss £179,074).

"We anticipate ongoing fluctuations as a result of the volatility that remains within the markets."



Going Concern

We believe that the charity's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the charity's needs.

As mentioned in this trustee report, the impact of COVID-19 has been significant, and fundraising opportunities have been limited throughout the financial year. There has however been significant support through government grants and NHS grants as well as the successful business interruption insurance claim, all of which have supported the charity.

There are strong signs of recovery in our retail and fundraising efforts, and we expect these areas to recover over the medium term. Additionally our efforts within our transformation programme are expected to improve efficiency of the hospice further. There are sufficient reserves to act as a contingency fund, and it is for these reasons the Trustees consider the going concern basis to be appropriate.

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

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

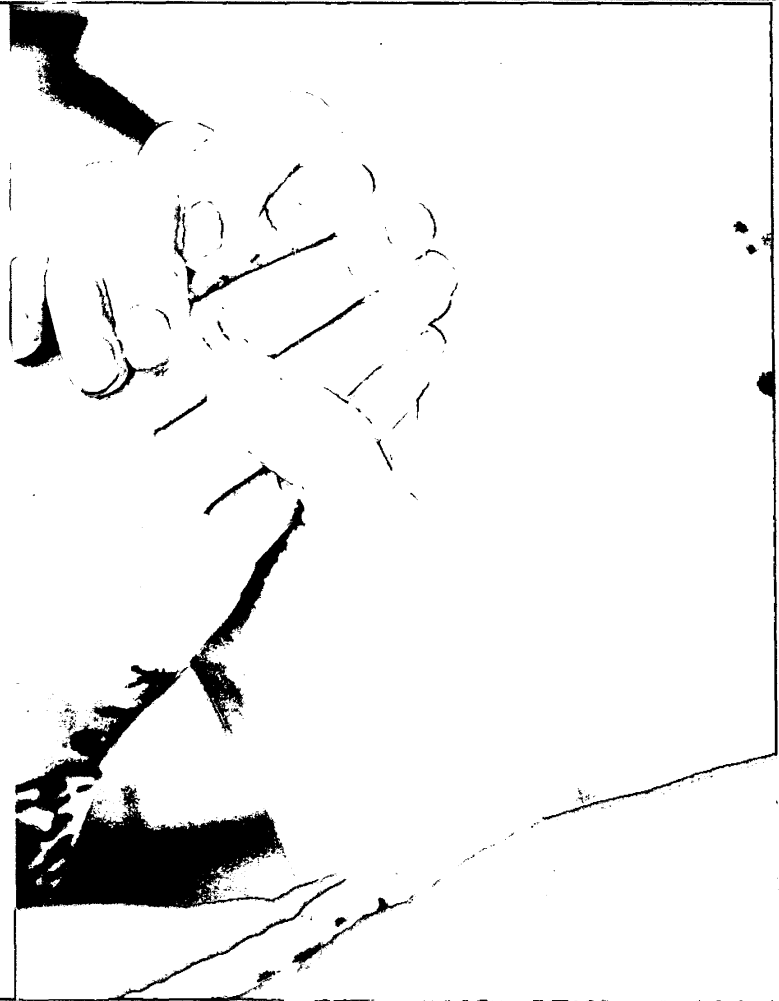
Conclusion

Finally, the Board would like to take this opportunity to thank all the Trustees, the Senior Management team and staff, and the 675 volunteers, all of whom are dedicated to the charity, and who work so hard and contribute to its success. The Trustees' Report, incorporating the Strategic Report, was approved by the Board, and signed on its behalf by



Mrs C Quinn
Chair

19 July 2021





Statement of **Trustees'** **responsibilities** for the year ended **31 March 2021**

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

Company law requires the Trustees to prepare financial statements for each financial year. 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 Group and the Company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees on 19 July 2021 and signed on its behalf by:

Mrs C Quinn
Chair

Independent **Auditors'** report to the members of St Luke's Hospice Plymouth

Opinion

We have audited the financial statements of St. Luke's Hospice Plymouth (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions

that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

Opinion 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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or

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

Responsibilities of the Trustees

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

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

Auditors' 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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- We have considered the nature of the sector, control environment and financial performance;
- We have considered the results of enquiries with management and trustees in relation to their own identification and assessment of the risk of irregularities within the group; and
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation;
- We have identified any matters having obtained and reviewed the Group's documentation of their policies and procedures relating to:
 - Identifying, evaluation and complying with laws and regulations and whether they were aware of any instances of non compliance;

- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- The internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to income recognition, with a particular risk in relation to year end cut off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities Act 2011, Charity SORP 2019, FRS 102 and the terms and conditions attaching to material grants received by the Group. In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Charity's ability to operate or avoid a material penalty. These included data protection regulations, health and safety regulations and employment legislation.

In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or avoid a material penalty.





These included the Health & Social Care Act, data protection regulations, health and safety regulations, employment legislation and gambling legislation.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing board meeting minutes;
- Enquiring of management in relation to actual and potential claims or litigations;
- Performing detailed transactional testing in relation to the recognition of income, specifically grants and legacies, with a particular focus around year end cut off; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non compliance with laws and regulations throughout the audit.

As a result of the inherent limitations of an audit, there is a risk that not all irregularities, including a material misstatement in financial statements or non compliance with regulation, will be detected by us. The risk increases the further removed

compliance with a law and regulation is from the events and transactions reflected in the financial statements, given we will be less likely to be aware of it, or should the irregularity occur as a result of fraud rather than a one off error, as this may involve intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' 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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Bishop Fleming LLP

Pamela Tuckett FCA DChA (Senior Statutory Auditor)

for and on behalf of
Bishop Fleming LLP

Chartered Accountants
Statutory Auditors

Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

19 July 2021

Consolidated Statement of Financial Activities

(Incorporating Income and Expenditure Account)

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
INCOME FROM:					
Donations and legacies	4	2,667,627	37,753	2,705,380	4,722,408
Charitable activities	5	3,161,044	3,949,806	7,010,850	3,682,917
Other trading activities	6	1,492,722	-	1,492,722	5,014,884
Investments	7	160,649	-	160,649	162,163
Other income	8	563,788	-	563,788	-
TOTAL INCOME		8,045,830	3,887,559	11,933,389	13,582,372
EXPENDITURE ON:					
Raising funds		3,140,212	682,914	3,823,126	4,989,322
Charitable activities	9	2,703,277	3,172,035	5,875,312	5,984,389
TOTAL EXPENDITURE		5,843,489	3,854,949	9,698,438	10,953,711
NET INCOME BEFORE NET GAINS/(LOSSES) ON INVESTMENTS					
		2,202,341	32,610	2,234,951	2,628,661
Net gains/(losses) on investments		478,508	-	478,508	(179,074)
NET INCOME		2,680,849	32,610	2,713,459	2,449,587
Transfers between funds	21	11,658	(11,658)	-	-
NET MOVEMENT IN FUNDS		2,692,507	20,952	2,713,459	2,449,587
RECONCILIATION OF FUNDS:					
Total funds brought forward		9,163,177	30,067	9,193,244	6,743,657
Net movement in funds		2,692,507	20,952	2,713,459	2,449,587
TOTAL FUNDS CARRIED FORWARD		11,855,684	51,019	11,906,703	9,193,244

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year. The notes on pages 46 onwards form part of these financial statements.

Consolidated Balance Sheet

as at 31 March 2021

Company Registration Number: 01505753

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	14	2,528,066	2,905,131
Investments	16	2,145,217	1,678,312
Investment property	15	340,000	340,000
		5,013,283	4,923,443
CURRENT ASSETS			
Stocks		40,406	79,438
Debtors	17	2,176,237	1,847,745
Cash at bank and in hand	25	6,131,888	3,782,540
		8,348,531	5,709,723
Creditors: amounts falling due within one year	18	(952,736)	(780,172)
NET CURRENT ASSETS		7,395,795	4,929,551
TOTAL ASSETS LESS CURRENT LIABILITIES		12,409,078	9,852,994
Creditors: amounts falling due after more than one year	19	(282,250)	(306,750)
Provisions for liabilities	20	(220,125)	(353,000)
TOTAL NET ASSETS		11,906,703	9,193,244
CHARITY FUNDS			
Restricted funds	21	51,019	30,067
Unrestricted funds	21	11,855,684	9,163,177
TOTAL FUNDS		11,906,703	9,193,244

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 19 July 2021 and signed on their behalf by:

Mrs C Quinn
Chair



Mr M Risdon
Treasurer



The notes on pages 46 onwards form part of these financial statements.

Company Registration Number 01505753

Company Statement of Financial Position

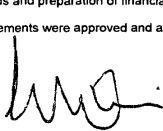
For the year ended 31 March 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	14	2,528,066	2,905,131
Investments	16	2,145,219	1,678,314
Investment property	15	340,000	340,000
		<u>5,013,285</u>	<u>4,923,445</u>
CURRENT ASSETS			
Stocks		345	585
Debtors	17	2,220,528	1,889,873
Cash at bank and in hand	25	5,789,666	3,193,015
		<u>7,990,539</u>	<u>5,083,473</u>
Creditors: amounts falling due within one year	18	(1,037,671)	(835,112)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,966,153</u>	<u>9,171,806</u>
Creditors: amounts falling due after more than one year	19	(282,250)	(306,750)
Provisions for liabilities	20	(220,125)	(353,000)
TOTAL NET ASSETS		<u>11,463,778</u>	<u>8,512,056</u>
CHARITY FUNDS			
Restricted funds	21	50,909	30,067
Unrestricted funds	21	11,412,869	8,481,989
TOTAL FUNDS		<u>11,463,778</u>	<u>8,512,056</u>

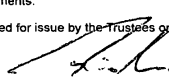
The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 19 July 2021 and signed on their behalf by:

Mrs C Quinn
Chair



Mr M Risdon
Treasurer



The notes on pages 46 to 77 form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 March 2021

	2021 £	2020 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash provided by operating activities	2,273,905	1,983,598
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends, interests and rents from investments	160,759	161,019
Purchase of tangible fixed assets	(43,271)	(271,596)
Proceeds from sale of investments	139,479	471,528
Purchase of investments	(143,570)	(442,525)
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	<u>113,397</u>	<u>(81,574)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of borrowing	(24,500)	(24,500)
Loan interest paid	(13,454)	(14,522)
NET CASH USED IN FINANCING ACTIVITIES	<u>(37,954)</u>	<u>(39,022)</u>
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR	<u>2,349,348</u>	<u>1,863,002</u>
Cash and cash equivalents at the beginning of the year	3,782,540	1,919,538
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>6,131,888</u>	<u>3,782,540</u>

The notes on pages 46 to 77 form part of these financial statements.

Notes to the Financial Statements for the year ended 31 March 2021

Note 1 : The Charity is registered with Companies House in England, and the registered office is Stamford Road, Turnchapel, Plymouth, PL9 9XA.

Note 2 : Accounting Policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

St. Luke's Hospice Plymouth meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Group 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 these financial statements.

2.2 Going concern

The accounts have been prepared on the going concern basis. The Trustees consider that the group has sufficient resources available to meet all commitments as they fall due. The COVID-19 pandemic has had a major impact on fundraising in the new financial year, however the group continues to take actions to address this impact, and management are confident that all liabilities will be met as they fall due and the group continues as a going concern.

2.3 Income

All income is recognised once the group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the group has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the group, can be reliably measured.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity.

Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Taxation

The Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax

purposes.

Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	4 - 7%
Equipment and furniture	10 - 33%
Motor vehicles	14 - 33%

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered.

Prepayments are valued at the amount prepaid net of any trade discounts due.

2.11 Cash at bank and in hand

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

2.12 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.13 Provisions

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event which is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is

material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2.14 Financial instruments

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

2.15 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

2.16 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

The Group is a member of a multi-employer plan. Where it is not possible for the Group to obtain sufficient information to enable it to account for the plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

2.17 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 the Group and which have not been designated for other purposes.

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group 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, gains and losses are allocated to the appropriate fund.

Note 3 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions: The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The 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 discussed below.

Provisions are made for shop dilapidation and costs required. This is a critical estimate and subject to management estimates and judgements of the future costs.

Critical areas of judgement:

The useful life of the fixed assets of the charity are subject to management judgements and have been reviewed in detail in the current year.

4. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Donations	1,071,917	37,753	1,109,670
Legacies	1,595,710	-	1,595,710
	<u>2,667,627</u>	<u>37,753</u>	<u>2,705,380</u>
	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Donations	1,588,993	134,467	1,723,460
Legacies	2,998,948	-	2,998,948
	<u>4,587,941</u>	<u>134,467</u>	<u>4,722,408</u>

5. Income from Charitable Activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
NHS Basic Funding	2,733,260	18,000	2,751,260
Lymphoedema Services	-	-	-
End of Life Care Education Projects	-	86,039	86,039
Other Income	94,416	-	94,416
COVID Relief grants	333,368	774,604	1,107,972
Hospice UK grants	-	2,971,163	2,971,163
TOTAL 2021	<u>3,161,044</u>	<u>3,849,806</u>	<u>7,010,850</u>
	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
NHS Basic Funding	2,645,098	-	2,645,098
Lymphoedema Services	-	133,832	133,832
End of Life Care Education Projects	-	84,851	84,851
Other Income	262,082	477	262,559
COVID Relief Grants	515,000	41,577	556,577
TOTAL 2020	<u>3,422,180</u>	<u>260,737</u>	<u>3,682,917</u>

6. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Shops	784,306	784,306
Lottery	708,416	708,416
	<u>1,492,722</u>	<u>1,492,722</u>

	Unrestricted funds 2020 £	Total funds 2020 £
Shops	3,763,645	3,763,645
Lottery and Wild in Art	1,251,239	1,251,239
	<u>5,014,884</u>	<u>5,014,884</u>

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Income from property	102,902	102,902
Investment income - other investments	43,218	43,218
Interest receivable and similar income	14,529	14,529
	<u>160,649</u>	<u>160,649</u>

	Unrestricted funds 2020 £	Total funds 2020 £
Income from property	84,525	84,525
Investment income - other investments	59,811	59,811
Interest receivable and similar income	17,827	17,827
	<u>162,163</u>	<u>162,163</u>

8. Other incoming resources

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Insurance claims	563,788	563,788	-
	<u>563,788</u>	<u>563,788</u>	<u>-</u>



9. Analysis of expenditure on Charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
In Patient Care	1,259,705	1,446,799	2,706,504
Community Services	1,049,518	1,193,988	2,243,506
Hospital Services and Medical Operations	224,548	250,722	475,270
Education	169,506	280,526	450,032
	<u>2,703,277</u>	<u>3,172,035</u>	<u>5,875,312</u>
	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
In Patient Care	2,754,770	5,635	2,760,405
Community Services	2,030,226	137,185	2,167,411
Hospital Services and Medical Operations	515,227	-	515,227
Education	217,928	303,418	521,346
	<u>5,518,151</u>	<u>446,238</u>	<u>5,964,389</u>

11. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £15,650 (2020 - £11,150), and non-audit services of £6,500 (2020 - £6,250).

12. Staff costs

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	6,160,323	6,221,310	6,097,498	6,113,156
Social security costs	495,343	465,526	491,467	453,963
Contribution to defined contribution pension schemes	582,679	628,362	577,139	618,570
	7,238,345	7,315,198	7,166,104	7,185,689

The average number of persons employed by the Company during the year was as follows:

	Group 2021 No.	Group 2020 No. Restated	Company 2021 No.	Company 2020 No. Restated
Clinical and direct care	122	125	122	125
Direct support	38	34	38	34
Office and administration	44	45	43	43
Fund generating teams	94	105	89	100
	298	309	292	302

The number of employees whose employee benefits (excluding employer pension costs) exceeded £80,000 was:

	Group 2021 No.	Group 2020 No. Restated
In the band £70,001 - £80,000	1	2
In the band £90,001 - £100,000	1	1
In the band £100,001 - £110,000	1	1

The key management personnel of the group comprise the Senior Management Team. The aggregate employee benefits payable to the key management personnel for the year was £291,097 (2020: £303,088 - restated). The key management personnel for 2021 have retained the same staff number as 2020 (4 employees).

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £NIL).

**14. Tangible
fixed assets (group)**

	Freehold property £	Equipment and furniture £	Motor vehicles £	Total £
COST OR VALUATION				
At 1 April 2020	7,242,304	1,552,363	46,091	8,840,758
Additions	-	43,271	-	43,271
Disposals	-	(34,664)	-	(34,664)
At 31 March 2021	7,242,304	1,560,970	46,091	8,849,365
DEPRECIATION				
At 1 April 2020	4,584,396	1,310,408	40,823	5,935,627
Charge for the year	296,807	113,829	2,431	413,067
On disposals	-	(27,395)	-	(27,395)
At 31 March 2021	4,881,203	1,396,842	43,254	6,321,299
NET BOOK VALUE				
At 31 March 2021	2,361,101	164,128	2,837	2,528,066
At 31 March 2020	2,657,908	241,955	5,268	2,905,131

**14. Tangible
fixed assets (company)**

	Freehold property £	Equipment and furniture £	Motor vehicles £	Total £
COST OR VALUATION				
At 1 April 2020	7,242,304	1,552,363	46,091	8,840,758
Additions	-	43,271	-	43,271
Disposals	-	(34,664)	-	(34,664)
At 31 March 2021	7,242,304	1,560,970	46,091	8,849,365
DEPRECIATION				
At 1 April 2020	4,584,396	1,310,408	40,823	5,935,627
Charge for the year	296,807	113,829	2,431	413,067
On disposals	-	(27,395)	-	(27,395)
At 31 March 2021	4,881,203	1,396,842	43,254	6,321,299
NET BOOK VALUE				
At 31 March 2021	2,361,101	164,128	2,837	2,528,066
At 31 March 2020	2,657,908	241,955	5,268	2,905,131

15. Investment property

Group	Freehold investment property £
VALUATION	
At 1 April 2020	340,000
At 31 March 2021	<u>340,000</u>
Company	
	Freehold investment property £
VALUATION	
At 1 April 2020	340,000
At 31 March 2021	<u>340,000</u>

The investment property was independently valued in 2019. The Trustees consider that this valuation is still appropriate.

16. Fixed assets investment

Group		Listed investments £	
COST OR VALUATION			
At 1 April 2020		1,678,312	
Additions		143,570	
Disposals		(139,479)	
Revaluations		462,814	
AT 31 MARCH 2021		<u>2,145,217</u>	
NET BOOK VALUE			
AT 31 MARCH 2021		<u>2,145,217</u>	
AT 31 MARCH 2020		<u>1,678,312</u>	
Company			
	Investments in subsidiary companies £	Listed investments £	Total £
COST OR VALUATION			
At 1 April 2020	2	1,678,312	1,678,314
Additions	-	143,570	143,570
Disposals	-	(139,479)	(139,479)
Revaluations	-	462,814	462,814
AT 31 MARCH 2021	<u>2</u>	<u>2,145,217</u>	<u>2,145,219</u>
NET BOOK VALUE			
AT 31 MARCH 2021	<u>2</u>	<u>2,145,217</u>	<u>2,145,219</u>
AT 31 MARCH 2020	<u>2</u>	<u>1,678,312</u>	<u>1,678,314</u>

17. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Amounts owed by group undertakings	-	-	50,000	50,000
	-	-	50,000	50,000
DUE WITHIN ONE YEAR				
Trade debtors	449,378	57,791	449,378	54,275
Other debtors	102,546	82,711	101,570	82,262
Prepayments and accrued income	1,620,609	1,690,414	1,615,876	1,686,507
Tax recoverable	3,704	16,829	3,704	16,829
	<u>2,176,237</u>	<u>1,847,745</u>	<u>2,220,528</u>	<u>1,889,873</u>

18. Creditors - amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank loans	24,500	24,500	24,500	24,500
Trade creditors	205,403	133,939	202,456	129,309
Amounts owed to group undertakings	-	-	177,856	159,386
Other taxation and social security	116,443	126,469	115,810	121,848
Other creditors	110,837	73,469	110,064	72,758
Accruals and deferred income	495,553	421,795	406,985	327,311
	<u>952,736</u>	<u>780,172</u>	<u>1,037,671</u>	<u>835,112</u>

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank loans	282,250	306,750	282,250	306,750

The bank loan is a mortgage that is secured by way of a fixed first charge on the freehold property at Brooklands, including all buildings and fixtures.

Of the amount due over 1 year, £98,000 is due between 2 - 5 years, and £184,250 over 5 years.

20. Provisions**Group and Company**

	Dilapidation provision £
At 1 April 2020	353,000
Additions	1,253
Amounts used	(27,988)
Amounts reversed	(106,140)
	<u>220,125</u>

Provisions are made for the repairs, maintenance and rectification of shop premises held by the Group. The timing of the payments required are linked to the individual shop leases as and when they come up for renewal. The amounts have been estimated based on the known works that would be required if premises were returned in present condition, and values have been calculated by the premises team of the Group, along with guidance from a firm of quantity surveyors.

21. Statement of funds - current year

	Balance at 1 April 2020	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Balance at 31 March 2021
	£	£	£	£	£	£
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Fixed Asset Fund	2,577,910	-	(296,807)	166,966	-	2,448,069
Income Generation Fund	200,000	-	(8,562)	8,562	-	200,000
Building Facilities Reserve	133,057	-	-	-	-	133,057
Legacies Reserve	600,000	-	-	400,000	-	1,000,000
Projects / Invest to save Fund	200,000	-	(35,926)	600,000	-	764,074
Revenue Reserve	4,500,000	-	-	(800,000)	-	3,700,000
Case for change / Quality agenda	-	-	-	150,000	-	150,000
Compassionate Communities Development	-	-	-	50,000	-	50,000
Data project	-	-	-	100,000	-	100,000
Investment Revaluation Reserve	132,652	-	-	110	478,508	611,170
	<u>8,343,519</u>	<u>-</u>	<u>(341,295)</u>	<u>675,638</u>	<u>478,508</u>	<u>9,156,370</u>
GENERAL FUNDS						
General funds	1,172,658	8,045,830	(5,635,069)	(663,980)	-	2,919,439
Dilapidation provision	(353,000)	-	132,875	-	-	(220,125)
	<u>819,658</u>	<u>8,045,830</u>	<u>(5,502,194)</u>	<u>(663,980)</u>	<u>-</u>	<u>2,699,314</u>
TOTAL UNRESTRICTED FUNDS	<u>9,163,177</u>	<u>8,045,830</u>	<u>(6,843,489)</u>	<u>11,658</u>	<u>478,508</u>	<u>11,855,684</u>



	Balance at 1 April 2020	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Balance at 31 March 2021
	£	£	£	£	£	£
RESTRICTED FUNDS						
Other Funds	8,174	67,078	(34,403)	(11,658)	-	29,191
Project Funds	21,893	103,886	(103,951)	-	-	21,828
Hospice UK Grants	-	2,971,162	(2,971,162)	-	-	-
Furlough Grants	-	745,433	(745,433)	-	-	-
	<u>30,067</u>	<u>3,887,559</u>	<u>(3,854,949)</u>	<u>(11,658)</u>	<u>-</u>	<u>51,019</u>
TOTAL OF FUNDS	<u>9,193,244</u>	<u>11,933,389</u>	<u>(9,698,438)</u>	<u>-</u>	<u>478,508</u>	<u>11,906,703</u>

21. Statement of funds (prior year)

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Fixed Asset Fund	2,824,622	-	(294,172)	47,460	-	2,577,910
Income Generation Fund	200,000	-	(7,940)	7,940	-	200,000
Building Facilities Reserve	150,000	-	(16,943)	-	-	133,057
Legacies Reserve	478,938	-	-	121,062	-	600,000
Projects / Invest to save Fund	100,000	-	-	100,000	-	200,000
Revenue Reserve	2,600,000	-	-	1,900,000	-	4,500,000
Investment Revaluation Reserve	397,089	-	-	(85,463)	(179,074)	132,552
	<u>6,750,649</u>	<u>-</u>	<u>(319,055)</u>	<u>2,090,999</u>	<u>(179,074)</u>	<u>8,343,519</u>
GENERAL FUNDS						
General funds	250,672	13,187,168	(10,179,418)	(2,085,764)	-	1,172,658
Dilapidation provision	(344,000)	-	(9,000)	-	-	(353,000)
	<u>(93,328)</u>	<u>13,187,168</u>	<u>(10,188,418)</u>	<u>(2,085,764)</u>	<u>-</u>	<u>819,658</u>
TOTAL UNRESTRICTED FUNDS	<u>6,657,321</u>	<u>13,187,168</u>	<u>(10,507,473)</u>	<u>5,235</u>	<u>(179,074)</u>	<u>9,163,177</u>



	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
RESTRICTED FUNDS						
Other Funds	16,415	60,136	(62,950)	(5,427)	-	8,174
Project Funds	69,921	335,068	(383,288)	192	-	21,893
	<u>86,336</u>	<u>395,204</u>	<u>(446,238)</u>	<u>(5,235)</u>	<u>-</u>	<u>30,067</u>
TOTAL OF FUNDS	<u>6,743,657</u>	<u>13,582,372</u>	<u>(10,953,711)</u>	<u>-</u>	<u>(179,074)</u>	<u>9,193,244</u>

On the statement of funds

The positive financial result for the year has resulted in reserves increasing by over £2m. As explained in the financial review, the late notification of the COVID-19 NHS support funding and the business interruption claim transformed our financial forecast from one of an expected deficit to a surplus. Prior to Q4, the hospice was forecasting significant deficits which necessitated taking a prudent approach to spend during what was an incredibly volatile year.

The late inclusion of these two income streams, as well as the £657k positive movement on our investment portfolio value has resulted in higher than anticipated reserves. We are mindful of the requirement to spend excess reserves to meet our objectives. Spending plans are being formulated, which will be driven by both our strategic objective of 'Care for you, and those that Care for you' and the desire to broaden our reach. The designated fund of £100k which has been set aside for the Data Project, will ensure we approach this spending in a planned and informed way.

Designated Funds

The Revenue Reserve represents the minimum free reserves required by the Hospice, taking into account the potential risks to income streams and of the potential risks to expenditure over a two year period.

Reserves in excess of the minimum level of expenditure may be designated to develop new and improved services in line with the needs and preferences of patients living with and dying from advanced incurable illness. Within the period the Trustees have designated £1,476,528 to objectives in line with the strategic aims of the organisation. These areas follows:

The Fixed Asset Fund (previously Building Fund) is held at a level equivalent to the net book value of the depreciable (threshold) land and buildings owned by the Hospice in order to fund depreciation. An amount equivalent to the depreciation of the buildings, £296,807, was spent from this fund in the year.

The Income Generation Ventures/Fund was set up in 2017/18 with a balance of £150,000. The Income Generation Committee has made progress in this area and has narrowed down the income generation options to 2/3 ventures. The fund has held its value of £200,000 in consideration of current plans.

The Building Facilities Reserve: Currently all repairs are absorbed within the annual revenue budgets of the organisation. It is considered prudent to set aside funds for cyclical and emergency repairs to buildings and facilities. Large items such

as annual painting programmes and large maintenance programmes will be funded from this reserve. Expenditure in the year related to redecoration costs at Brooklands and Tumchapel.

The Legacies Reserve: The Legacy Smoothing Reserve was set up to designate funds to mitigate the specific risks around this income stream. The reason the Hospice has removed the risk around legacy income from its Annual Risk Reserve Requirement to a specific Legacy Smoothing Reserve is because legacies represent a unique risk. If legacies were to be reduced or stop altogether then the organisation could not take any management action to remedy this in the short to medium term. A significant drop in legacy income would present a unique set of circumstances to the Hospice in that, if retail or fundraising income were to dip, the organisation would be able to take management action to address this via close or open shops, sell different goods or organise different events. However, if legacy income were to reduce the Charity could not influence this in the short to medium term - instead it would have to reduce its expenditure very quickly. The Legacy Smoothing Reserve is therefore to fund potential legacy income shortfalls and give time to reduce expenditure in a planned way.

Projects/Invest to Save Fund: There is a desire within the Charity to broaden the reach of the organisation to the wider area and to work more efficiently. The drive towards the continuous improvement will require development and investment. Whilst the type of developments are unknown at present, it is likely to include investment in technology and other areas such as teleconferencing/EG*O and the reconfiguration of our Tumchapel site. Therefore a further £600,000 has been designated to this fund in the current year.

Case for change/Quality agenda: The charity is reviewing its clinical offer. Once the review is complete there is likely to be a need to implement various changes. Therefore, £150,000 has been designated to this fund.

Compassionate communities Development: St Luke's has been at the forefront of this initiative to date and will match funding going forward. Therefore, £50,000 has been designated.

Data project: The charity has launched a new initiative to improve the way it manages, understands and collects data to help drive future strategy and plans. £100,000 has been designated for this project.

Investment Revaluation Reserve: This reserve represents unrealised gains on investments.

Restricted Funds

Project Funds: Some NHS and other income is for specific projects and programmes. These funds are treated as restricted and the balance on these funds is held as Project Funds. The balance carried forward at the year end was £21,828 (2020-£21,698).

Other Funds: Other restricted funds are held at the value of any donations for restricted purposes that remain unspent at the year end.

Hospice UK Grants: These grants were provided by Hospice UK to support the charity during the COVID-19 lockdowns and the impact on fundraising income.

Furlough Grants: These are the government grants for furloughed employees during the year as part of COVID-19 support.

"We are mindful of the requirement to spend excess reserves to meet our charitable objectives."

22. Summary of funds - current year

	Balance at 1 April 2020	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Balance at 31 March 2021
	£	£	£	£	£	£
Designated funds	8,343,519	-	(341,295)	675,638	478,508	9,156,370
General funds	819,658	8,046,830	(5,502,194)	(663,980)	-	2,699,314
Restricted funds	30,067	3,887,559	(3,854,949)	(11,658)	-	51,019
	<u>9,193,244</u>	<u>11,933,389</u>	<u>(9,698,438)</u>	<u>-</u>	<u>478,508</u>	<u>11,906,703</u>

22. Summary of funds - prior year

	Balance at 1 April 2019	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Balance at 31 March 2020
	£	£	£	£	£	£
Designated funds	6,750,649	-	(319,055)	2,090,999	(179,074)	8,343,519
General funds	(93,328)	13,187,168	(10,188,418)	(2,085,764)	-	819,658
Restricted funds	86,336	395,204	(446,238)	(5,235)	-	30,067
	<u>6,743,657</u>	<u>13,582,372</u>	<u>(10,953,711)</u>	<u>-</u>	<u>(179,074)</u>	<u>9,193,244</u>

23. Analysis of net assets between funds - current year

	Unrestricted funds 2021	Restricted funds 2021	Total funds 2021
	£	£	£
Tangible fixed assets	2,528,066	-	2,528,066
Fixed asset investments	2,145,217	-	2,145,217
Investment property	340,000	-	340,000
Current assets	8,297,512	51,019	8,348,531
Creditors due within one year	(952,736)	-	(952,736)
Creditors due in more than one year	(282,250)	-	(282,250)
Provisions for liabilities and charges	(220,125)	-	(220,125)
TOTAL	<u>11,855,684</u>	<u>51,019</u>	<u>11,906,703</u>

23. Analysis of net assets between funds - prior year

	Unrestricted funds 2020	Restricted funds 2020	Total funds 2020
	£	£	£
Tangible fixed assets	2,905,131	-	2,905,131
Fixed asset investments	1,678,312	-	1,678,312
Investment property	340,000	-	340,000
Current assets	5,679,656	30,067	5,709,723
Creditors due within one year	(780,172)	-	(780,172)
Creditors due in more than one year	(306,750)	-	(306,750)
Provisions for liabilities and charges	(353,000)	-	(353,000)
TOTAL	<u>9,163,177</u>	<u>30,067</u>	<u>9,193,244</u>

24. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2021 £	Group 2020 £
Net income for the year (as per Statement of Financial Activities)	2,713,459	2,449,587
ADJUSTMENTS FOR:		
Depreciation charges	413,067	425,706
(Gains)/losses on investments	(462,814)	179,074
Dividends, interests and rents from investments	(147,305)	(162,163)
Loss on the sale of fixed assets	7,269	-
Decrease/(increase) in stocks	39,032	23,154
Increase in debtors	(328,492)	(927,654)
Increase/(decrease) in creditors	172,564	(13,106)
Decrease/(increase) in provisions	(132,875)	9,000
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,273,905	1,983,598

25. Analysis of cash and cash equivalents

	Group 2021 £	Group 2020 £
Cash in hand	6,131,888	3,782,540
TOTAL CASH AND CASH EQUIVALENTS	6,131,888	3,782,540

26. Analysis of changes in net debt

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	3,782,540	2,349,348	6,131,888
Debt due within 1 year	(24,500)	-	(24,500)
Debt due after 1 year	(306,750)	24,500	(282,250)
	3,451,290	2,373,848	5,825,138

27. Contingent asset

The charity holds business interruption insurance for its retail trading undertaking, following a successful insurance claim in respect of the enforced closure of all of our shops, an agreement has been reached on the amount payable for the first lockdown. Insurance claims in relation to lockdowns 2 and 3 have not been finalised and continue to be subject to legal discussions, until that is concluded it is not possible to estimate the proceeds from these two remaining business interruption claims, but a receipt is expected.

28. Pension commitments

Group Personal Pension Scheme

The Group operates a defined contribution pension scheme, which is operated by Royal London. The assets of the scheme are held separately from those of the group in an independently administered fund.

The Federated Flexiplan No.1

The group also is part of The Federated Flexiplan No.1 ('the Plan'). The Plan is a defined benefit pension scheme. It is a 'last man standing scheme' which means that all participating employers are jointly and severally liable for the Plan's liabilities.

However, because of the non-associated multi-employer nature of the Plan, the Group does not have sufficient information available (in particular to identify its share of the underlying assets and liabilities of the Plan) to use defined benefit accounting. As a result the amount recognised in the

statement of financial activities represents the Group's contributions payable to the the Plan in respect of the current accounting period.

Members of the Plan are entitled to benefits on either a "Pensions Capital" or "Target Pension" basis. Under the Pensions Capital basis, contributions paid by and in respect of members are accumulated up to retirement and then used to secure benefits for the member. Under the Target Pension basis, members receive a defined pension at retirement based on length of service in the Plan under their Pensionable Salary at the date of leaving. The Plan is closed to new members and to future accrual of benefits.

The total cost payable to these schemes for the year was £582,681 (2020: £628,362) and £61,961 (2020: £71,815) was payable to the schemes at the year end.

29. Operating lease commitments

At 31 March 2021 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Not later than 1 year	49,857	59,863	49,857	59,863
Later than 1 year and not later than 5 years	941,117	825,671	941,117	825,671
	<u>990,974</u>	<u>885,534</u>	<u>990,974</u>	<u>885,534</u>

30. Related party transactions

The Group has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the Group at 31 March 2021.

31. Controlling party

The Group is controlled by the Board of Trustees.

32. Principal subsidiaries

The following was a subsidiary undertaking of the Company:

Name	Company number	Registered office or principal place of business	Principal activity
SLH Ventures Limited	01786925	Stamford Road, Turnchapel, Plymouth, PL9 9XA	Fundraising in support of the parent charity
Holding	Included in consolidation		
	100% Yes		

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
SLH Ventures Limited	775,463	(332,078)	443,385	442,925



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