

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 Dulles

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 i)
Mr J Henniker (appointed 23/03/2021)
Mr J P Henniker (appointed 23/03/2021)
Mr R M James (a f)
Mrs C Postle-Hacon (a f) (resigned 26/02/2021)
Mrs C Quinn (a h i)
Mrs E Richerby (appointed 23/03/2021)
Mr M Risdon (a 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. BEESafe 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 Henniker (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 Richerby (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
Boatle
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 serves 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

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"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, Whitleigh, 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.

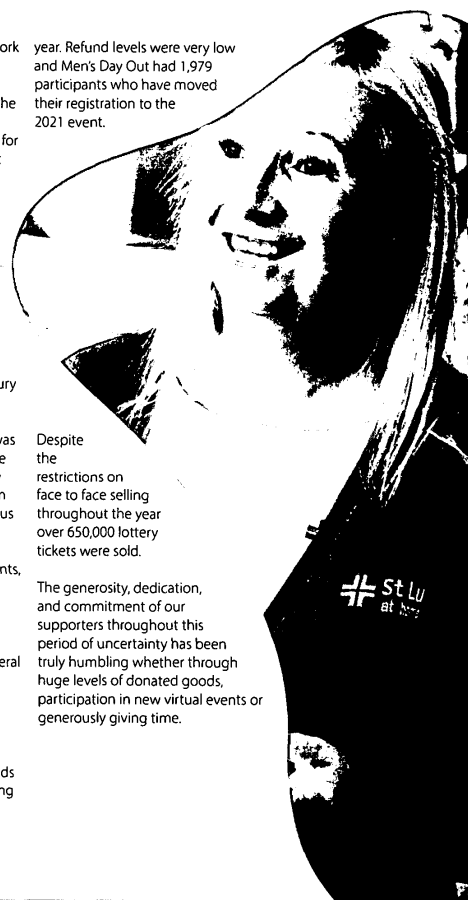
Fundraising through community events, mass participation and corporate support were severely impacted by social distancing measures, however our supporters moved to alternative ways of giving which resulted in general donations increasing above original budget and previous year levels.

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 CCG. 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 NHSF 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 NHSF through negotiations with Hospice UK in the form of the COVID-19 support grant. The NHSF 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 £2718,459 (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 – £425,706), 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 £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 £2,705,580 in the year compared to the previous year of £4,722,468 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 £1,596,710 (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 £400,000 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.

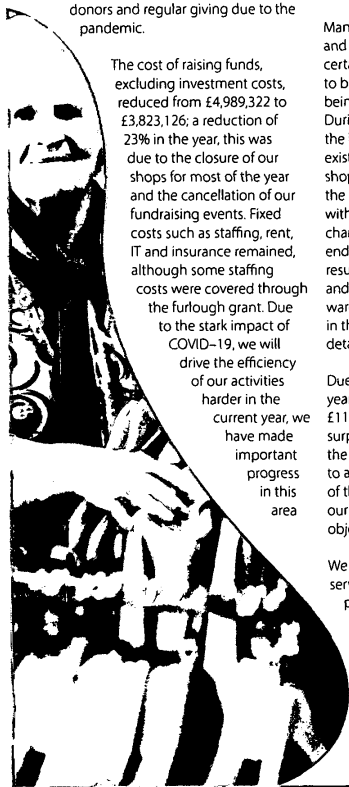
We also earmark reserves for our income generation ventures, to create sustainable sources of income in a changing climate.

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	190
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)			
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	11051
End of Life in the community, including Care package			
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			
Hospital SPC service			
Patients referred	1317	1182	1018
Support contacts	4400	3498	4406
Medical Outpatients			
Patients	36	40	52
Attendances	59	66	140
Other Clinical support			
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	1023
Education			
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 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

"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.

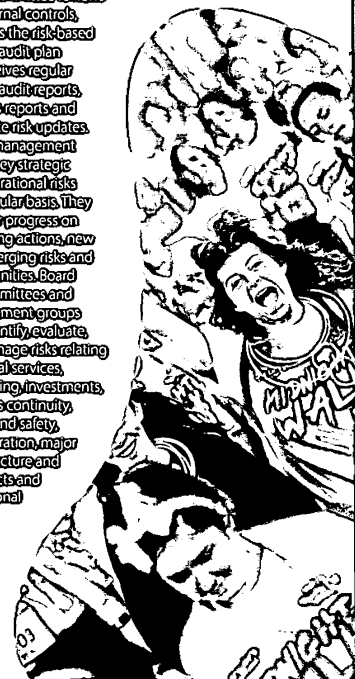
Internally, with the recent and ongoing changes within our transformation programme, there is a risk that we disengage with some staff who may struggle with the pace of change that has occurred during this pandemic. To manage this risk, there has been an increased focus on internal communications, at 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'.

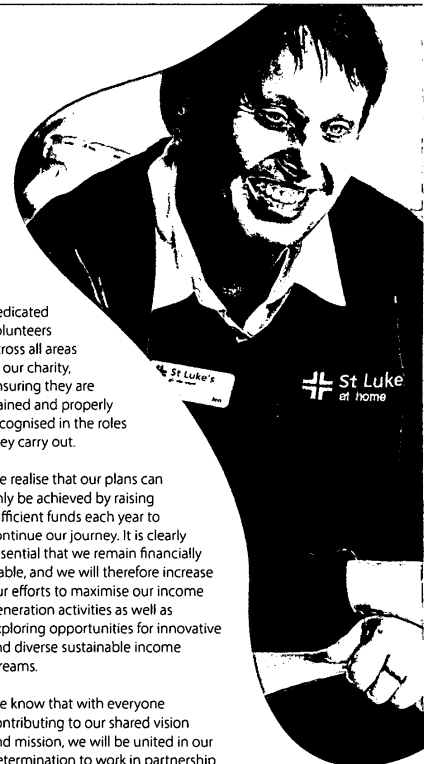
We are proud to be embedded within our local communities and recognise that we will be unable to deliver our ambitions alone, so we must work in partnership with others to further our vision. We will do this by sharing best practice, educating other healthcare professionals, and joining with other organisations 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 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 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

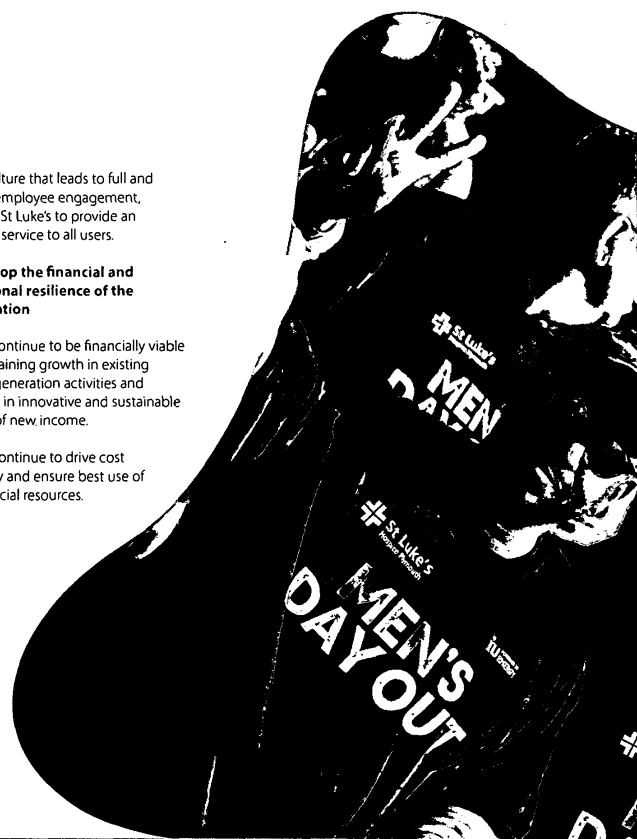
based culture that leads to full and positive employee engagement, enabling St Luke's to provide an excellent service to all users.

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.

"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."



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.

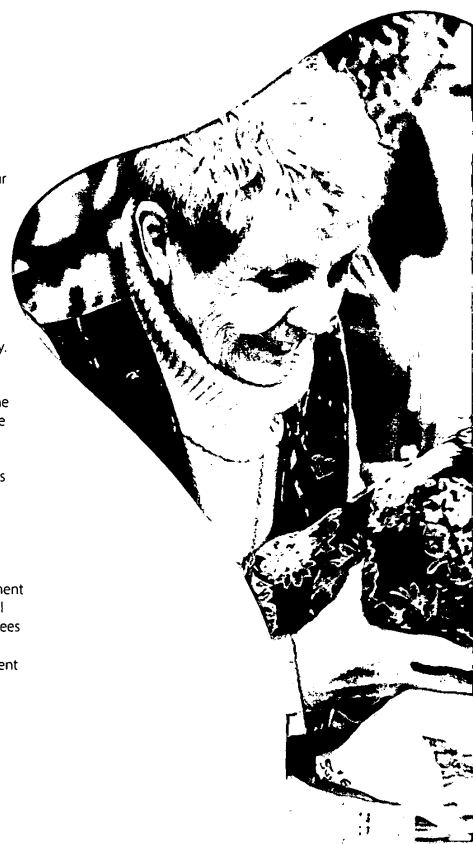
- In 2018/19 we undertook two focussed salary reviews; one for our clinical staff, using NHS pay

"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 Luke's.

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 abides fully with the Code of Fundraising Practice. We are registered with the Gambling Commission for the delivery of our Lottery and have a remote and non-remote 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 or with any concern or complaint, a first instance to the St Luke's team member responsible for the area of concern and then through our complaints 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 fully notified of all occurrences and details reported to the Senior Management and

Senior Leadership Teams at monthly meetings.

During the year we used the Money Saving Hub based in Plymouth, a remote telesales 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 contracted 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.

Enabling supporters to 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 (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.

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

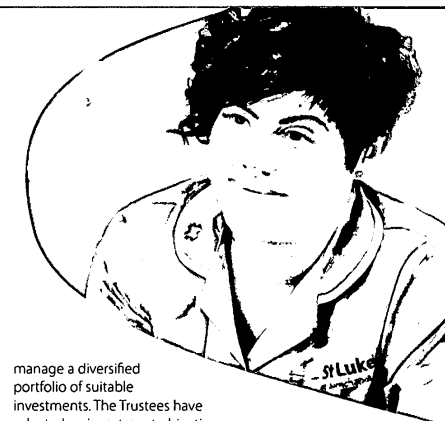
set, such as, if the Retail operation is unable to trade in line with our budget assumptions, the risk of not being able to hold our flag ship or smaller events, the negative impact on all other income streams as well as the potential increase in costs due to the ongoing impact of COVID-19. The reduction 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.

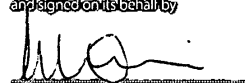
There are strong signs of recovery in our retail and fundraising efforts, and we expect these areas to recover over the medium term. Additionally our efforts within our transformation programme are expected to improve efficiency of the hospice further. There are sufficient reserves to act as a contingency 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 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.

Conclusion

Finally, the Board would like to take this opportunity to thank all the Trustees, the Senior Management team and staff, and the 676 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:
 - 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	3,987,559	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 to 53 form part of these financial statements.

Company Statement of Financial Position

For the year ended 31 March 2021

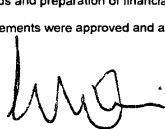
Company Registration Number 01505753

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	14	2,528,066	2,905,131
Investments	16	2,145,219	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	5,769,666	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>

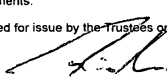
The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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	<u>2,273,905</u>	<u>1,983,598</u>
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	<u>3,782,540</u>	<u>1,919,538</u>
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	774,804	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	-



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>

10. Analysis of expenditure by activities

	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>

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
In Patient Care	2,573,132	187,273	2,760,405
Community Services	1,901,325	266,086	2,167,411
Hospital Services and Medical Operations	444,876	70,551	515,227
Education	426,215	95,131	521,346
	<u>5,345,348</u>	<u>619,041</u>	<u>5,964,389</u>

Cost of raising funds

	2021 £	2020 £
Shops	250,076	284,706
Lottery	22,218	31,223
Fundraising and publicity	248,133	179,489
Investment and other	36,628	31,430
	<u>557,055</u>	<u>526,848</u>

Charitable activities

	2021 £	2020 £
In patient care	201,880	168,230
Community services	224,182	232,516
Hospital services and medical ops	54,700	53,766
Education	90,499	77,217
	<u>571,261</u>	<u>531,729</u>

Governance costs

	2021 £	2020 £
Audit & accountancy	14,437	8,552
Legal and professional	3,866	2,749
Other	186,728	146,474
	<u>205,031</u>	<u>157,775</u>

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.

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
	<u>7,238,345</u>	<u>7,315,198</u>	<u>7,166,104</u>	<u>7,185,689</u>

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
	<u>298</u>	<u>309</u>	<u>292</u>	<u>302</u>

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 £
COST OR VALUATION	
At 1 April 2020	2 1,678,312
Additions	- 143,570
Disposals	- (139,479)
Revaluations	- 462,814
AT 31 MARCH 2021	<u>2 2,145,217</u>
NET BOOK VALUE	
AT 31 MARCH 2021	<u>2 2,145,217</u>
AT 31 MARCH 2020	<u>2 1,678,312</u>

Listed investments £	Total £
1,678,312	1,678,314
143,570	143,570
(139,479)	(139,479)
462,814	462,814
<u>2,145,217</u>	<u>2,145,219</u>
<u>2,145,217</u>	<u>2,145,219</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	132,552	-	-	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>9,166,370</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>11,865,684</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 are as follows:

The Fixed Asset Fund (previously Building Fund) is held at a level equivalent to the net book value of the depreciable (freehold 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 Tump Chapel.

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 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 Tump Chapel 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 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

