

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

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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

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

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022**

Trustees	Mr S Carter Mrs N Duncan Mrs J Edge (appointed 25 May 2022) Mrs F Field Mr C Hackett Mrs J Hendry (resigned 24 May 2022) Mr J P Henniker Mr J Henniker Mrs H Hocking (appointed 19 July 2021) Mr R James Mrs C Quinn, Chair Mrs E Richerby Mr M Risdon Dr M Walker Ms F Allen (appointed 26 May 2022)
Company registered number	01505753
Charity registered number	280681
Registered office	St Lukes Hospice, Stamford Road Turnchapel Plymouth Devon PL9 9XA
Company secretary	Susan Cannon
Chief executive officer	Stephen Statham
Bankers	Santander Bridle Road Bootle L30 4GB
Solicitors	Foot Anstey Solicitors Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN

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

**TRUSTEES REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

Structure, Governance and Management of the Charity

The Board presents its Trustees' Annual Report, Directors Report and the audited consolidated financial statements for the year ended 31 March 2022 as required by company law. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Memorandum and Articles of Association, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 1 January 2019.

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

There are currently 14 trustees of the Charity. Individuals must sign a consent form on becoming a member. Every member will further the objects so far as practicable and observe any standing orders, rules and regulations issued in the Articles of Association of the Charity. The Trustees are appointed as members of the Charity. Full responsibility for the running of the Charity is vested in the Trustees, who by reason of the incorporation of the Charity are also Directors of the Company.

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

Chair: Mrs Christina Quinn

Treasurer: Mr Michael Risdon BSc, ACA

Senior Executives:

Chief Executive	Mr Stephen Statham
FCIPD MA Deputy CEO & Director of Clinical Services	Mr George Lillie RGN RMN BSc. MSc
Director of Finance & Resources:	Mrs Susan Cannon CPFA
Commercial Director	Mr Michael Dukes

Trustees

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

Mr S Carter (e)
Mrs N Duncan (a,g,h)
Mrs F Field (a,f,g,h)
Mr C Hackett (e)
Mrs J Hendry (a,b,c,g) (resigned 24 May 2022)
Mr J Henniker (a,e,f)
Mr J P Henniker (g,h)
Mrs H Hocking (d,f) (appointed 19 July 2021)
Mr R M James (b,d,e)
Mrs C Quinn (b,g,h)
Mrs E Richerby (d)
Mr M Risdon (b,d,f)
Dr M Walker (c,d)

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

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

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

Four Trustees are also Directors of the wholly owned trading subsidiary:

- i. SLH Ventures Ltd

In addition, a number of Trustees attend operational groups.

Recruitment and Induction of Trustees

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

The organisation will use this information in several ways:

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

The Chairs Governance Committee will look at a broad range of selection methods, such as general advertising, linking into Volunteering websites, or targeted recruitment for specific skills such as Treasurer etc, or underrepresented groups.

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

At this stage we would also gain confirmation that the applicant is not legally barred from being a charity trustee. Interested parties will be able to visit the hospice and to meet the Senior Management Team. The pack will also include an application form. Suitable applicants will be invited for an interview with at least two trustees from the Chairs Governance committee. Other trustees may stand in if there are conflicts of interest or trustees are unavailable.

Following the interview, the Chair will either: -

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

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

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

The Chair will normally make the invitation to membership of the Board of Trustees after confirmation that the potential trustee is still interested and approval by the Board of Trustees following attendance.

References will be obtained by the Chief Executive's office and a formal DBS (Disclosure and Barring Service) check will be carried out. Once appointed, a member is a trustee under the Charities Act and a director under the Companies Act.

All new trustees will be provided with an induction programme appropriate for their role and interests, and will be assigned a "buddy", from the existing trustee board and also a member of the Senior Management Team. All Trustees are required to complete St Luke's mandatory on-line training modules within three months of joining the organisation.

Objectives and Activities of the Charity

St Luke's Hospice Plymouth is a registered charity, a company limited by guarantee, and is registered with the Care Quality Commission. It is governed by a Board of Trustees comprising up to 14 Trustees/Directors who normally meet 6 times a year and who also participate in several sub committees and operational management groups. Day to day management is vested in a Chief Executive, who reports directly to the Chair of the Trustees.

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

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

Our Vision

"A community where no person has to die alone, in pain or in distress."

Our vision is a far-reaching aim towards which everyone involved in end of life care should strive. St Luke's vision provides an underlying service of purpose for staff, volunteers and stakeholders. In order to realise our vision, we have clarified our mission, and how we aim to progress towards it.

Our Mission

"We work within our community in partnership with others to achieve dignity, comfort and choice for people affected by a life limiting illness, by delivering and influencing exceptional care."

Our mission sets out what St Luke's role will be in helping to enable our vision to be realised. This mission gives greater prominence to not just the direct delivery of end of life care, but also exerting even more influence upon others involved in end of life care by bringing our experience and expertise to the work of health and social care professionals.

Our Values:

Professionalism, Respect, Compassion, Integrity

At St Luke's we are proud of, and passionate about our history and the care we provide. This has been achieved by the hard work, dedication and commitment of all the staff and volunteers who have made St

TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Luke's what it is today. Our values are at the core of all our services. They inspire us and drive us, to ensure we provide the best possible care to as many local people as we can reach; living and dying with a terminal illness.

Annual Report

It is impossible to reflect on the past year without again focusing on the impact of the COVID-19 pandemic, which has had a significant impact on all our services, including income streams, as well as the physical and emotional trauma experienced by staff, volunteers and all those associated with St Luke's.

During the pandemic St Luke's response remained strong. Our clinical teams constantly reacting to the challenges they were facing daily, creating, and adopting new ways of working to ensure we were able to continue to provide high quality care for those who needed us. Alongside our clinical teams our support staff and income generation teams showed great flexibility, strength, and resourcefulness to ensure we continued to be safe and efficient whilst protecting the future sustainability of St Luke's.

As usual our volunteers continued to display a steadfast commitment in supporting the day to day operation of the charity, which has meant we have been able to keep our services running, whilst continuing to provide excellent care to patients and families. We are proud to have been recognised as an essential clinical service in supporting the NHS during the pandemic especially in caring for people in their own homes, thus preventing unnecessary admissions to the already overwhelmed local hospitals. This resulted in additional government funding which we are grateful for, which helped us to continue to provide our services despite our charitable income streams being affected by the pandemic.

This partnership working with our NHS colleagues, health care providers and other charities, ensured we placed the patient in the centre of everything that we do, whilst taking the pressure off the care system, helping the wider NHS to keep their services running and allowing people to get the support they need.

One of the few benefits of the pandemic is that it has forced rapid changes in how some things can be done, and we must make sure we do not revert to old ways where the new ones have been shown to be better. The utilisation of digital communication and platforms enabled us to continue to see patients by utilising digital consultations and only visiting when absolutely necessary to protect the safety of everyone. The COVID-19 pandemic has accelerated this digital development within St Luke's, and perhaps this has given us the push we needed to consistently deploy digital methods throughout the organisation. We have certainly picked up the pace and will continue to introduce digital solutions across all our areas.

These new ways of working are not just about the introduction of new digital solutions, it is about change, efficiency, and improvement. We have already launched our 'Transformation programme – Better and stronger for longer' It's a different way of working and is happening against a backdrop of higher costs for the charity at a time when, in all likelihood our annual income may have reached its upper limit for the foreseeable future.

Over the last 12 months we have adapted quickly to new ways of working. We created more agile ways of working for all staff where possible, including moving to a 'blended' approach to work, with less emphasis on office accommodation and desk spaces and more focus on remote working. This has enabled us to cut our running costs with the selling of our warehouse and consolidating our accommodation, we are also pursuing potential tenants for one of our floors at our Brooklands site.

The relocation of our clinical teams from Brooklands to our Turnchapel site has helped to drive our 'one team' approach to enhance the flexibility of staff between our clinical teams to cope with varying demands and supporting the patient wherever they may be. As a result of this we have commenced our investment in reconfiguring our Turnchapel site to ensure the office accommodation meets the needs of our staff working on an agile basis.

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Many of our staff are already working differently – either remotely, or a combination of remote and on-site working, and using new technology - and it is likely some or all of these changed ways of working will continue as we accelerate towards a 'new normal' at St Luke's over the coming months.

Our IT capability has improved vastly over the last few years with the introduction of our cross-hospice collaboration with Rowcroft Hospice, we are extremely proud of its success and pleased that St Richards Hospice formally joined this collaboration in January 2022, making the IT OneTeam now a Tri-Hospice collaboration.

We will continue to test new ways of working, treat failure as learning and accelerate rather than slow the pace of our transformation plan. The programs we have established have already begun to produce results. We will pursue these with rigour to ensure the future sustainability of the organisation along with our ability to adapt and remain resilient.

As a charity we are committed to providing patients' quality end of life care with professionalism and compassion, so that we are part of a community where no one dies alone, in pain or in distress. To that extent we have had a very successful year. In the year ended 31 March 2022, the charity was able to see 2,134 new patient referrals which resulted in the delivery of 4,218 individual episodes of care, this compares to 3,805 episodes of care in the previous year: an increase of 11%. All areas of clinical care showed an increase in activity but significant increase in referrals were seen in our community (7%) and hospital services (16%).

It is hard to say if this increase is significant or just reflects the health system bouncing back from the pandemic. What is clear is that many of the referrals to all our services are significantly later in a patients end of life journey than was seen at the start of the pandemic. This gives less time for us to support patients and their families and increases stress on our clinical teams. As with other health care services, we expect this pattern will continue for at least another year until the health and social care system begins to return to a pre-pandemic state. The total cost of our clinical services provision was £6,240,708 for the year, compared to £5,875,312 in the previous year, an increase of 6%.

Some of the highlights of the past year are summarised below:

All our services have continued to flex and adapt to support the local health and social care system as it has battled with further peaks in COVID-19 cases and winter pressures. These efforts have been recognised and praised by other health/social care providers and by the Devon Clinical Commissioning Group (CCG).

The importance of our End of Life Urgent Care Service (EoLUCS) in supporting dying patients in our community has been recognised by the CCG with an increase in substantive funding to extend this service for the future.

Strategically, we are actively engaged with the CCG Devon wide review of End of Life care which is yet to conclude and are represented at various levels within the Local Care Partnership (LCP) plans for health and social care services moving forward as the CCG transitions to an Integrated Care System (ICS).

As part of our ongoing work around transformation, we have finalised our 'Case for Change for Clinical Services' and have developed a work programme for moving forward for the next 2 years. A large part of this work will focus on remodelling /developing the clinical workforce to ensure we are able to meet the increasing demands for end of life care moving forward in a sustainable way. As part of this work this year, we undertook external reviews of our Social Care and Education services. Recommendations from these reviews have been, or are being implemented to ensure we continue to meet the needs of those we serve, in the most sustainable way possible.

As part of increasing our understanding of the experience of those dying or supporting loved one's who are dying, we have appointed a new Associate Director for Quality and Patient Experience. Gaining an in-depth understanding of what it is like to die in our local community and the impact of the services we provide will be

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

key in ensuring that end of life care remains high on the agenda for commissioners of services at a time where pressures on funding is at an all-time high.

Following our investment last year with the introduction of a community-based nurse consultant to support the work of our medical teams. We have successfully seen this post holder become part of the on-call medical rota for our in-patient service. The success of this role and other new roles such as Associate nurses, will be used as a template to further develop the creation of a sustainable clinical workforce equipped for the future demands of end of life care.

With Covid restrictions in place for health care settings throughout the year, it has been difficult to return to some of our training that needs to be class based, but this situation has improved in the last quarter of the year due to the easing of restrictions. Given the ongoing impact off Covid, the education team has converted much its specialist training to a web-based format and have successfully delivered our specialist university modules through this medium.

The pressures within the current health and social care system with staff vacancies and high levels of staff absence due to Covid, our numbers of external staff trained has not bounced back to pre-covid levels. We are hopeful this will improve over the next 12-18months.

The past year has seen Income Generation activities consolidate the changes made in the previous year and continue to adapt to the changing demands of our customers and supporters. Despite the difficulties and uncertainties that everyone experienced throughout the year, the constant throughout, was the unwavering support from the public and the tenacity of our internal teams and volunteers. The majority of our Fundraising teams had to work from home and retail staff needed to move between shops; all unsettling but met with a can-do attitude.

In retail, the trading weeks were disrupted with shorter hours through staff absence and restricted availability of volunteers and we therefore concentrated on delivering consistent trading hours in our larger premises at the expense of the smaller shops. The sale of the warehouse was completed and the new stock distribution system was effectively implemented, moving donated goods directly from shop to shop. The lease on Yealmpton shop was not renewed at end of term due to the small size of unit but a new lease was acquired on premises in New George Street, Plymouth and is due to open in Summer 2022.

As restrictions relaxed and then ended, sales responded immediately and there is confidence that sales growth will continue across 2022 and we will develop our portfolio of properties, particularly in South Hams, as and when the appropriate premises become available.

The change in ways of giving from supporters has impacted on our approach to fundraising and we have adapted our team structures to better respond to the demand. There has been a significant change in people's knowledge and confidence in digital giving so we have reviewed our ability to meet this new need and restructured to achieve this and it will take time before these changes become embedded. Much of the change in ways of supporting St Luke's has been the restrictions on face-to-face meeting and mass participation events.

There is however still a significant majority of people that continue to support St Luke's in the traditional ways of giving. When we have been able to hold events such as Midnight Walk in August and Tour de Moor in October these have been adapted to meet relevant restrictions but have all been well attended, albeit with restrictions on numbers that we imposed on ourselves for safety reasons. It wasn't possible to deliver Men's Day Out 2021 in the normal way due to restrictions at the time, so we did not open registrations and instead rolled over the participants from 2020 cancelled event with 800 attending. The participant registrations were successfully back at normal levels in April 2022, when over 1900 men attended.

Lottery sales continue to support strong income, but numbers of players dropped throughout the year as we were unable to canvass new players other than through digital means, as face to face opportunities were

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

restricted. Recruitment of new players is a focus for the forthcoming year to build back to the levels that we had seen pre-pandemic.

The support from the local population that depend on our clinical care has been astounding in very trying circumstances. Donated goods stock remains at high levels, fundraising donations have changed in type but have remained strong, and lottery continues to be well supported. However, we do need to move from being completely reliant on the goodwill of our community and we are developing new income generating activities for the commercial environment we face in order to meet the rising costs of both the care we deliver and the numbers of people needing it.

STRATEGIC REPORT

Financial Review

Financial year 2021/22 was the first financial year since COVID-19 that mandatory restrictions were not the dominant force in how we delivered our services, however it was still a year that started out with much uncertainty both from an operational and a financial perspective.

Operationally, we expected normality to return during the year with restrictions on patient visiting and social distancing to be relaxed. Financially, we expected to see slow recovery on the high street with the hope that our retail income would slowly return to pre COVID-19 levels and that we would be able to restart our fundraising mass participation events.

We were keen to return to a pre COVID-19 situation where we were able to fund our own services rather than through the COVID-19 related grants that we had been relying on in the two previous financial years. The return to "normality" has been slow but steady, with some very encouraging results from our Retail and Fundraising efforts and we are pleased to report that we ended the year with these activities returning healthy contributions to the hospice. The closure of our retail warehouse plus the closure of some less profitable shops saw a reduction in retail overheads, resulting in a leaner operation with increased profit levels.

Three of our flagship events were able to resume during the year, and both the Midnight Walk and Tour de Moor in October were all well attended, and Men's Day Out 2021 was held with previously registered participants only.

Some alternative non-recurring funding streams continued, such as business interruption insurance claim and a small amount of furlough grant continued into 2021/22. Later in the year in Q3, grants from NHSE obtained through hospice wide negotiations with Hospice UK were confirmed for the final 4 months of the year, the value of this funding was not known until the very final part of the year so was incredibly difficult to predict. However, we are very grateful for the additional funding received from NHSE in the form of the COVID -19 support grant which was awarded to allow the hospice to make available bed capacity and community support from December 2021 to March 2022, to provide support to people with complex needs in the context of the COVID-19 situation. These grants enabled us to continue to deliver our clinical services during what was still a very demanding year for the health service.

The organisation made an overall surplus of £1,858,883 (2021 – surplus of £2,713,459), which is after including gains on investments of £148,259 (2021 – gain £478,508). This surplus was achieved after charging depreciation of £381,605 (2021 - £413,067) which was funded by designated reserves. It is worth noting that without the nonrecurring external COVID-19 support received, the remaining business interruption insurance payment and the one off sale of our warehouse, the hospice would have made a much smaller surplus of £352k.

Income generation, excluding charitable activities, has seen an increase on last year's levels due to 2020/21 being heavily impacted by the pandemic, however it has still not reached pre COVID-19 levels. Overall income from trading activities increased from £1,492,722 in 2020/21 to £4,229,060 in 2021/22. An increase of £2.7m in our trading income, almost entirely as a result of the removal of COVID-19 restrictions of enforced

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

shop closures and the cancellation of our main events in 2020/21. This compares 2019/20 which was in the main a COVID 19 free year, where we generated £5,014,884 (2018/19 was £4,350,299).

Donations and Bequests achieved £2,973,043 in the year compared to the previous year of £2,705,380, this is a strong income source for the hospice but one that has previously been known to be very volatile and hence requires careful monitoring. In 2021/22 the hospice recognised total bequests of £1,529,575 (2021 - £1,595,710) in the year, against an original budget of £1,400,000. For pecuniary legacies, the recognition point is normally when notification of the grant of probate is received, and residuary legacies are normally recognised when draft estate accounts are available or other suitable information which allows the legacy to be measured with reasonable accuracy. Legacy income of just £616,622 has been recognised as income in the accounts which will be received after the year end.

The cost of raising funds, excluding investment costs, increased from £3,823,126 to £4,009,776; an increase of 5% in the year, this was due to the reopening of our shops and the reintroduction of our fundraising events. Although shops and events were closed for most of the previous year, fixed costs such as staffing, rent, IT and insurance remained, although some staffing costs were covered through the furlough grant.

Many of the charity's shops are leased and the related contracts require certain levels of repairs and decoration to be undertaken prior to the shops being returned at the end of the lease. During 2019/20 it was identified that the level of provision set aside for existing liabilities in relation to these shop leases was not adequate and the position was therefore reviewed, with an additional sum added into the charity's provision balances at the year end. Continued review of our Retail operation results in annual fluctuations to this provision which now stands at £179,000 (2021: £220,125). The amounts have been estimated based on the known works that would be required if premises were returned in present condition, and values have been calculated by the premises team of the Group, along with guidance from a firm of quantity surveyors. Further details are shown in Note 20.

Due to the overall surplus in the year, total reserves have increased to £13,765,586 (2021 - £11,906,703). The surplus in the year has been driven by the one-off income streams received to assist with the continuation of the pandemic as well the sale of our warehouse. This level of reserves places the hospice in a strong position to tackle the significant underlying deficits we face over the medium term. We expect deficits of £691k in 2022/23 and over £1m per year in the following 2 years because of the continuing rises in employment costs, particularly as we strive to recruit and retain the necessary staff resources to deliver our services to the high standards we are renowned for. We aim to bring these anticipated deficits back to break even position over the next 3 years as we see the fruits of our efforts in new income generation ventures which we are currently investing in using designated reserves, and by driving further efficiencies through our transformation programme of work. We have continued to designate more of our free reserves to meet these strategic objectives.

We continue to designate funds for service based and invest to save projects which will be used to broaden our reach to a wider population and to invest in the continuous improvement of our services and in line with our strategy, we will invest to take advantage of technology to continually improve the care we provide.

Financial sustainability is one of our key objectives; to that end we are progressing through a transformation project to ensure we work as efficiently as we can and to take advantage of some of the agile working principles that were forced on us as part of our response to the pandemic. This will require investment particularly in our accommodation, as we reduce our real estate from three major premises to just the one at our Turnchapel site, much progress has been made in this area, including the start on site of builders who will reconfigure the office premises to meet our new agile ways of working and to embrace our "OneTeam" approach, it is planned that staff will return to the newly configured office suite in the winter 2022/23.

We continue to designate reserves to smooth the impact of our annual bequest income, which can be highly volatile and difficult to predict with any certainty. We hold a building reserve fund to help ease the ongoing liabilities that come with owning some of our operational assets and are embarking on our 5-year capital plan which will see a number of large items of expenditure, such as replacement of our generator, upgrade to our lifts, and investment in the parking and gardens at Turnchapel.

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

We also earmark reserves for our income generation ventures; to create sustainable sources of income in a rapidly changing climate, progress this year has been good and we are now in the position of funding the set up costs of two new ventures through designated reserves.

We plan to start work to accelerate the clinical quality agenda where we aim to use data to understand our clinical service's unmet need, this will help drive the future strategy of the hospice and inform the best use of our free reserves. This funding was last year, and work is now underway on this project.

New designated funds this year includes setting aside funds to initiate the expansion of our Hospital team in order expand our reach and to educate staff at University Hospital Plymouth (UHP) in end of life care. We have also set aside funds for an Integrated Care Trial to improve the discharge of patients across the wider system through the recruitment of an additional Band 7 nurse for a 2 year period, as well as funding to replace our learning management system to a more reactive and user friendly system.

Following movements on designated funds, our general funds have increased from £2,699,314 to £5,297,389, an increase of £2,598,075 in the year. Our unrestricted funds, which are made up of free and designated reserves are £13,694,973 at year end, an increase of £1,839,389 in 2021/22. This includes the investment revaluation reserve; although investments are held on a long-term basis, the portfolio is considered to be readily convertible and as such is included when calculating free reserves. Designated reserves, if uncommitted, are able to be undesignated should circumstances change and hence can be deemed as usable. As at 31/3/2022 free and uncommitted reserves, represent 11 months of expenditure based on the organisation's total budgeted running costs for next year.

The Board changed its Reserve Policy in 2016/17, to reflect a more risk-based approach. Pre COVID-19, free reserves of at least £2.6m were required however, this increased temporarily to £4.5m because of the initial and severe uncertainties the pandemic had on the hospice's finances, this has now reduced to a £3.1m minimum risk requirement as we come through COVID-19 into a more stable situation. The Board is pleased to note that we are in excess of the minimum requirement.

The Board is extremely pleased with the financial performance in the year, and this reflects the determination of both the Board and the senior executives to ensure that the organisation remains financially sustainable throughout the pandemic and in the longer term. It must be acknowledged that the hard work and dedication of all our staff and volunteers has been the overriding reason for the successes of the past year.

Performance of Our Services

In the year ended 31 March 2022, the charity was able to see 2,134 new patient referrals which resulted in the delivery of 4,218 individual episodes of care, this compares to 3,805 episodes of care in the previous year: an increase of 11%.

All areas of clinical care showed an increase in activity but significant increase in referrals were seen in our community (7%) and hospital services (16%). It is hard to say if this increase is significant or just reflects the health system bouncing back from the pandemic. What is clear is that many of the referrals to all our services are significantly later in a patients end of life journey than was seen at the start of the pandemic. This gives less time for us to support patients and their families and increases stress on our clinical teams.

As with other health care services, we expect this pattern will continue for at least another year until the health and social care system begins to return to a pre-pandemic state.

The total cost of our clinical services provision was £6,240,708 for the year. The following table gives more information.

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

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

<u>Our clinical activities</u>				
In Patient Care	2022	2021	2020	2019
Patients (referral open see note 1 below)	256	216	246	202
Admissions	282	216	260	212
Deaths	214	149	191	150
Discharges	70	67	70	59
Occupied bed days	3375	3021	3434	3707
% Occupied	77.05%	69.00%	78.10%	84.63%
Average length of patient stay (days)	12	10	13.8	17.5
Community Services (Including Social Care & AHP patient support)	2022	2021	2020	2019
Patients (referral open)	1670	1578	1603	1415
Patient/Carer visits	4913	4377	5434	6254
Patient/carer phone calls (Duty Nurse commenced 02/11/2016)	14833	21646	14714	12740
Professional liaisons	6673	6460	9896	11051
End of Life in the community, including Care package	2022	2021	2020	2019
Patients - See Note 1 below	727	658	700	486
Accepted referrals	853	870	844	611
End of Episode Preferred place achieved				
Patient visits (by professional)	12487	10494	11862	4917
Hospital Services and Medical Outpatients	2022	2021	2020	2019
Hospital SPC service				
Patients referred	1529	1317	1182	1018
Support contacts	4612	4400	3498	4405
Medical Outpatients				
Patients	36	36	40	52
Attendances	83	59	86	140
Other Clinical support	2022	2021	2020	2019
Bereavement Support Contacts (including telephone calls)	2495	1904	1131	1558
Lymphoedema				
Patients (active)			553	601
Palliative care appointments (attended)			133	177
Palliative care appointments (Hours)			103	128
NHS contracted appointments (attended)			1750	1823
Education	2022	2021	2020	2019
No of internal individuals trained in the year	1045	313	2416	2188
No of external parties/individuals trained in the year	500	593	1866	1910
No of training sessions on National/Regional projects, local forums & conferences etc	188	155	265	254

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

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Risks

The recruitment and retention of key staff is becoming more challenging, we know there is a shortage of clinical staff and the current labour market favours those seeking employment; therefore we are seeing less applicants for jobs we advertise, compared to the local market.

We continue to implement various initiatives to support the health and wellbeing of our staff. With the recruitment of clinical staff becoming more challenging, we are working on a number of key measures to mitigate this risk. These include return to practice placements for clinical staff, apprentices, work experience and a more flexible approach to hours and days of work.

Our retail shops have performed well since the lifting of lockdown and other restrictions, however the medium to long term impact on the high street and fundraising events remain unknown, so we continue to be cautious in our future years' budget assumptions. We know we are facing a period of unpredictability and uncertainty in the economy, as well as facing competition in general fundraising activities and support from the public for other charities at a time of crisis.

We acknowledge that income generation is getting more and more challenging, and we have set about putting in a series of measures to manage this risk/challenge. We will continue to look at diversifying our income streams, and we are proactively investigating new ways of generating more sustainable forms of income.

With the changes that are happening within the NHS, there is a growing likelihood that we will see additional competition for NHS contracts from private, public, and other volunteer organisations. Although it would be difficult for organisations to deliver end of life care if it is not their speciality, we must constantly stress the added value of our charitable funding. Our reputation is high, trust and respect have been built up over a considerable period of time with government and local donors and agencies, the challenge will always be about protecting our reputation and brand.

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

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

Internally, with the recent and ongoing changes within our transformation programme, there is a risk that we disengage with some staff who may struggle with the pace of change that has occurred during this pandemic. To manage this risk there has been an increased focus on internal communications, at all levels, to ensure that information is effectively disseminated through the organisation and that staff understand the direction of travel.

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

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Our Strategic Aims

We embrace our responsibility to meet the specialist palliative care needs of our patients and their families through excellent, personalised patient centred care. We have developed significant partnerships with our partners from the NHS, social care, the voluntary sector and other healthcare providers in order to deliver a seamless service for our patients.

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

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

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

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

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

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

We realise that our plans can only be achieved by raising sufficient funds each year to continue our journey. It is clearly essential that we remain financially viable, and we will therefore increase our efforts to maximise our income generation activities as well as exploring opportunities for innovative and diverse sustainable income streams.

We know that with everyone contributing to our shared vision and mission, we will be united in our determination to work in partnership with others to achieve dignity, comfort and choice for people affected by a life limiting illness.

Our Strategic Goals

In our strategic planning, the challenge has been to find the right balance between continually developing our

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

services and finding ways to respond to the increasing demand in a climate of severe funding pressures. Our nine strategic objectives help us consolidate and move towards our mission and vision. These are directed by three broad but far reaching strategic priorities:

Care for you and those who care for you

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

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

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

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

To be an employer of choice

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

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

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

To develop the financial and operational resilience of the organisation

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

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

Key Management Personnel

The key management personnel that the Board has identified consist of the Senior Management team.

The Board of Trustees are responsible for setting remuneration levels for the charity's senior staff. The key objective for St Luke's Hospice is to ensure that our approach offers fair pay to attract and keep appropriately qualified staff to lead, manage, support and/or deliver our objectives.

In deciding Senior Management team remuneration, as a Board of Trustees we have considered:

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

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

independent salary surveys, such as Croners, as well as carrying out local and national pay comparisons with other private, public and charitable organisations including other hospices.

- In 2021/22 we undertook our usual benchmarking exercise to compare our salaries against the NHS for clinical staff and also the wider commercial, public and private sector for our non-clinical staff. As a result of these reviews pay for some of our clinical and non-clinical staff was updated. A review is now undertaken each year and salaries adjusted where necessary.

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

With a Senior Management team pay scale established and with the performance of the Senior Management team formally reviewed on an annual basis against set objectives, the Trustees of St Luke's Hospice Plymouth are satisfied that there is appropriate, robust, transparent and fair remuneration in place for its Senior Management team.

Employee Involvement

There is a successful cascade of information through the organisation from SMT (Senior Management Team), SLT (Senior Leadership Team) and OMG (Organisational Management Group) to teams.

There is an established communication network across the wider organisation. This includes through the Intranet and TV screens in breakout areas, showing Steve's (CEO) Spot and regular articles. During COVID-19, text messages were introduced to provide important updates on government restrictions, testing and advice, which was highly successful and has continued to deliver messages of thanks and also transformation updates.

Staff consultation is undertaken via staff surveys, health and wellbeing surveys, feedback from SLT and OMG regarding views within teams. We have also recently introduced our Employee Voice Forum, which was set up to consult and communicate with wider staff groups. Steering groups have also been set up for Health and Wellbeing and Equality and Diversity. A Volunteer Forum is already established.

Employee engagement is monitored through the staff survey, with results and comments used to address any issues arising. We have also been using the HSE stress indicator with teams to identify any issues and concerns around health and wellbeing and putting in appropriate interventions to overcome any themes identified.

Financial and other performance information is shared through the management cascade from SMT to the operational levels within the hospice. As a charity, our staff are motivated and focused on the patient experience and putting them at the heart of everything we do, this drives employee motivation and underpins the culture of St Lukes.

Our Equality and Diversity policy sets out the standard we expect our organisation to work to, to ensure that no job applicant, member of staff or user of our services receives less favourable treatment, and to ensure that no job applicant, member of staff or user of our services is disadvantaged by conditions or requirements which cannot be justified. We have demonstrated our commitment to disability equality through the achievement of the Disability Confident Award.

St Luke's holds the Disability Employment Services' "Two Ticks" symbol and has provision in place to assist the employment opportunities of disabled persons. St Luke's guarantees to interview all disabled applicants who meet the minimum job specification criteria for the post.

St Luke's will try to ensure that when a member of staff becomes disabled that they remain in employment. We will give consideration to, in consultation with the employee and Occupational Health Department,

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

reduced working hours; alternative pattern of working; reasonable specific adjustments/special aids; and retraining leading to redeployment.

Reasonable adjustment can be defined as making a change to the way that we usually do things to ensure that we are fair to disabled persons. We may depart from our usual practice if we find it places disabled persons at a substantial disadvantage; for instance, by providing information in an alternative format.

The Equality Act 2010 requires us to provide reasonable adjustments for disabled people, defined by the Act as those who have a physical or mental impairment which has a substantial and long - term adverse effect on that person's ability to carry out normal day – to - day activities. This will, in some circumstances, mean that disabled people receive more favourable treatment than nondisabled people, which is lawful in the context of disability.

The organisation will use best efforts to agree in advance with the individual in question the reasonable adjustments that we are able to make and provide reasons when it may not be possible. Occupational Health will also be consulted as appropriate.

The organisation will, under the terms of its equality duty, work towards meeting the disability equality duty is by reviewing our policies and practices to identify possible barriers for disabled people so that we can minimise those barriers and anticipate the reasonable adjustments that we may need to make. This review is carried out through our quality impact assessment process.

When making an assessment of what is considered 'reasonable adjustment' we will take into account:

- The extent to which the reasonable adjustment will prevent discrimination.
- The extent to which it is practical for the organisation to make the adjustment.
- The cost and availability of resources, including access to funding.

The organisation will monitor the effectiveness of the reasonable adjustment measures it has put in place to ensure that they a) effective and b) prevent discrimination.

Fundraising Practices

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

There has been 1 reportable incident to the Gambling Commission. This has now been resolved.

We encourage all supporters or beneficiaries to contact us with any comment or complaint, in the first instance to the St Luke's team member responsible for the area of concern and then through our comments and complaints procedures, as published on our website. In the last year there have been 2 reported incidents, 9 complaints and 0 concerns raised in regard to Fundraising and Lottery.

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

During the year we used Engage & Connect Ltd based in Shropshire, 2 self-employed canvassers and a remote telesales canvasser based in Plymouth as well as self-employed and voluntary collectors. All third party fundraisers are signed up to an annual contract and fundraising standards. Failure to comply with any contractual or regulatory standards are investigated in line with the Lottery Policy and the hospice's own procedures. All fundraisers have returned to weekly monitoring and monthly visits now that lottery canvassing has recommenced.

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

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

Personal Data

St Luke's has responded to the introduction of GDPR and refreshed all supporter consents and privacy statements to ensure compliance. The new regulation came into force in May 2018.

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

Protecting vulnerable people and others

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

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

Plans for future periods

We have now entered the stage of 'living with COVID-19' and like many organisations working towards business as usual, in what will no doubt be a new normal for all of us.

However, there is still some considerable uncertainty about the path the pandemic will follow within the UK. We will continue to be cautious on how we manage this, ensuring the health and safety of everybody whilst abiding by government rules. This involves us continually risk assessing our workplaces, processes, and ways of working to ensure we protect all who come into contact with St Luke's.

With the reduction in our premises, we will continue to implement a more agile approach to working for our staff, certain staff whose role can be carried out more remotely, will be encouraged to work in a more flexible way with regards location, which could mean home or at one of our other bases.

We have demonstrated that we can support people in the community by using digital technology, we will therefore continue to use digital technology to communicate with patients and families, when we feel it is appropriate.

We will continue to build and invest in our competencies around digital transformation, using IT to improve our efficiencies and systems, with the aim of improving our business practices. We will continually streamline our processes to eliminate any unnecessary duplication and through our information governance meetings review our systems, simplifying the way we operate and removing any processes that do not add any value to the organisation.

We will also investigate new partnerships and collaborations with other hospices, charities and providers that could reduce some of our overhead costs or generate new economies of scale.

We will ensure that our clinical digital systems are able to be accessed by appropriate other health and care services so that clinicians are able to make informed decisions for the benefit of the patient, assuming we have the patient's consent for the sharing of such data.

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

We acknowledge the significant challenges facing us which are unprecedented, with a rapidly ageing population who are living longer with increasingly complex needs at the end of their lives. This changing demographic is set against the economic realities facing our country and our health care services and how services will be delivered in the future.

We will continue to build upon the progress we have made in becoming more patient and person centred, knowing that in order for patients and families to live and eventually die well they need to be resilient and have a strong sense of coping. Evidence shows that better outcomes and experiences are possible when people have the opportunity to actively shape their care and support.

Our priority is to provide specialist care in the last days of life for those who have the greatest need, but we also aspire to ensure that everyone has access to appropriate care and support at the end of life, and we therefore provide education, general support services and advice to patients, professionals and carers. We will continue to develop a public health approach to end of life, building partnerships between health and social care services and communities in recognition that death, dying, loss and care take place in everyday life within the family and community, at home or at work, in villages or other settings, activities and experiences.

With the introduction of Integrated Care Systems (ICS's) we know that collaborative and strategic partnerships will be critical in helping drive improvements in end of life care. We are committed to supporting the system for the benefit of all patients, ensuring we work in a collaborative way with all health and social care organisations, to ensure where possible a smooth transition of patients through the different services.

It is recognised that even with the initiatives we put in place for more equitable access and delivery of care we will not be able to meet all the demands with people living and dying with multiple conditions. We will continue to engage with a wide range of organisations whose actions alongside our own will shape people's experience of care at the end of life.

Our retail operation has 'bounced' back after lockdown restrictions were lifted, and this required a period of reinvention. We had already commenced the process of reviewing our portfolio of shops before the lockdown restrictions to ensure they are both 'fit for purpose' going forward and profitable, whilst identifying new growth pathways. We will continue to look at opportunities for new premises that are large enough to meet our retail strategy, whilst providing the best working conditions for staff and volunteers.

We have reorganised our fundraising team to a model which puts more emphasis on our generous supporters in whatever way they donate to us, whether that be sponsored events, community events or individual giving, how we acknowledge, appreciate and support all our donors is critical to our success. We will continually look at our engagement with our supporters and activities in order to meet their needs, whilst helping them achieve their personal goals in relation to supporting St Luke's.

Our strategy has been to look at introducing other forms of sustainable income and not relying solely on shops and fundraising. Our plan is to launch at least two commercial ventures during the financial year, under a new brand, but very much in line with the values of St Luke's.

We will continue to develop a comprehensive workforce implementation plan to ensure we have a sufficient supply of clinical staff to meet future demands. The plan will also incorporate the skills required by professionals to reflect the changing needs of people to continue to provide high quality care in new ways. We will constantly review our clinical workforce and the care models we operate to ensure we are targeting our specialist workforce to those who have the most complex health and social care need, thus achieving a balance between specialist and generalist clinical staff which better matches patient need.

Volunteers contribute across a range of St Luke's roles from befriending and shop volunteers to trustee and transport volunteers they enable staff to deliver high quality care that goes above and beyond care services. We have reorganised our People Services team to ensure our volunteers are integral to all our people

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

initiatives, whether that be training and development, involvement or how we recognise, support, and publicly acknowledge both teams and individuals of the valued contribution they make to the success of St Luke's. We want to further develop the financial and operational resilience of the organisation by maintaining growth in existing income generation activities and investing in innovative and sustainable sources of new income. We also want to ensure our retail strategy responds to the ongoing changes in customer shopping habits by increasing income from online platforms and adjusting our property portfolio and retail offer to reflect the local demographic profiles.

Reserves Policy

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

From this risk-based exercise, and in light of the risk from the COVID-19 pandemic receding, the Trustees determined that the hospice requires a risk reserve of £3.1m for 2022/23, (£3.7m 2021/22). Our usual level of risk reserves pre COVID-19 was £2.6m.

The increased levels we have set aside over the last two years covers risks over and above the budget that are not possible to foresee at the point the budget was set, such as, if the Retail operation is unable to trade in line with our budget assumptions, the risk of not being able to hold our flag ship or smaller events, the negative impact on all other income streams as well as the potential increase in costs due to the ongoing impact of COVID-19. The reduction this year of a further £0.6m in the annual risk reserve, represents an estimate of the reduced risk that we believe we now carry in respect of the pandemic and other significant business risks.

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

Reserves have provided funding for our Transformation Programme where we have revised some of our team structures and delivered one off pieces of work in line with our strategy. We continue our plans to spend our reserves in the next few years in various areas, including a 2 year pilot expansion of our Hospital Team service to increase the reach of the team and to improve the education of staff working at the acute trust in end of life care as well as an integrated care trial to improve the discharge of patients from the hospice to ongoing care. We are also investing our reserves in better understanding our data both internal and external; the results of this piece of work will help inform our strategic plans to address any unmet need in the area we serve.

Investment Policy

An investment policy is in place, which is reviewed annually by the Trustee Board. St Luke's Hospice keeps reserves in excess of working capital requirements in line with its reserves policy and in line with the hospice's investment policy, these funds are invested. The Trustees have appointed Brewin Dolphin as their agent to manage a diversified portfolio of suitable investments, taking into consideration the risk appetite of the charity as well as ethical requirements including the non-investment in tobacco related products as well as social and ethical considerations. The Trustees have selected an investment objective of a balance between income and capital growth. Global investment markets have seen a sustained period of economic volatility and we work closely with Brewin Dolphin to manage these risks as well as taking up opportunities for income and capital growth.

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Due to COVID-19 and the impact it had on the economy and investments at the very end of 2019/20 financial year we saw a drop in value of 21% in the final quarter of the year. There has been a marked recovery in the 2 years since; however, we anticipate ongoing fluctuations as a result of the volatility that remains within the markets.

Due to successful financial years during the pandemic we have invested a further £500k with Brewin Dolphin during this financial year and are encouraged to report that the value of investments at the year-end was £2,733,375. A realised gain of £148,259 has been reported in the Statement of Financial Activities for the year (2021 - loss £478,508).

Going Concern

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

As mentioned in this trustee report, the impact of COVID-19 has been significant, and our income generation efforts had been limited throughout the pandemic, as a result of this the Hospice sector has received significant support through government grants and NHSE grants as well as the successful business interruption insurance claim, all of which have supported the charity.

This year we have reported strong signs of recovery in our retail and fundraising efforts, and we expect these areas to continue to recover over the medium term. Additionally, our efforts within our Transformation programme are expected to improve efficiency of the hospice further. There are sufficient reserves to act as a contingency fund, and it is for these reasons the Trustees consider the going concern basis to be appropriate.

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

The Auditors

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

Conclusion

Finally, the Board would like to take this opportunity to thank all the Trustees, the Senior Management team and staff, and the 619 volunteers, all of whom are dedicated to the charity, and who work so hard and contribute to its success. The Trustees' Report, incorporating the Strategic Report, was approved by the Board, and signed on its behalf by



Mrs C Quinn
Chair
19 July 2022

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2022**

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

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



Mrs C Quinn
Chair

Date: 14.3.22

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

OPINION

We have audited the financial statements of St. Luke's Hospice Plymouth (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2022 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

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

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

Our procedures to respond to risks identified included the following:

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

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

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

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

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

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

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

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Bishop Fleming LLP

Pamela Tuckett FCA DChA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

Salt Quay House

4 North East Quay

Sutton Harbour

Plymouth

PL4 0BN

Date: 11/8/22

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

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	3	2,930,625	42,418	2,973,043	2,705,380
Charitable activities	4	3,116,558	594,224	3,710,782	7,010,850
Other trading activities	5	4,229,060	-	4,229,060	1,492,722
Investments	6	107,128	-	107,128	160,649
Other income	7	941,095	-	941,095	563,788
Total income		11,324,466	636,642	11,961,108	11,933,389
Expenditure on:					
Raising funds		3,995,637	14,139	4,009,776	3,823,126
Charitable activities	8	5,667,354	573,354	6,240,708	5,875,312
Total expenditure		9,662,991	587,493	10,250,484	9,698,438
Net income before net gains on investments		1,661,475	49,149	1,710,624	2,234,951
Net gains on investments		148,259	-	148,259	478,508
Net income		1,809,734	49,149	1,858,883	2,713,459
Transfers between funds	21	29,555	(29,555)	-	-
Net movement in funds		1,839,289	19,594	1,858,883	2,713,459
Reconciliation of funds:					
Total funds brought forward		11,855,684	51,019	11,906,703	9,193,244
Net movement in funds		1,839,289	19,594	1,858,883	2,713,459
Total funds carried forward		13,694,973	70,613	13,765,586	11,906,703

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

The notes on pages 30 to 56 form part of these financial statements.

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

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	13	43,514	-
Tangible assets	14	2,023,252	2,528,066
Investments	16	2,733,375	2,145,217
Investment property	15	430,000	340,000
		5,230,141	5,013,283
Current assets			
Stocks		38,279	40,406
Debtors	17	1,700,050	2,176,237
Cash at bank and in hand	25	7,872,514	6,131,888
		9,610,843	8,348,531
Creditors: amounts falling due within one year	18	(896,398)	(952,736)
Net current assets		8,714,445	7,395,795
Total assets less current liabilities		13,944,586	12,409,078
Creditors: amounts falling due after more than one year	19	-	(282,250)
Provisions for liabilities	20	(179,000)	(220,125)
Total net assets		13,765,586	11,906,703
Charity funds			
Restricted funds	21	70,613	51,019
Unrestricted funds	21	13,694,973	11,855,684
Total funds		13,765,586	11,906,703

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

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



Mrs C Quinn
Chair

Date: 19.7.22



Mr M Risdon
Treasurer

The notes on pages 30 to 56 form part of these financial statements.

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

COMPANY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	13	43,514	-
Tangible assets	14	2,023,252	2,528,066
Investments	16	2,733,377	2,145,219
Investment property	15	430,000	340,000
		5,230,143	5,013,285
Current assets			
Stocks		180	345
Debtors	17	1,746,621	2,220,528
Cash at bank and in hand	25	7,652,230	5,769,666
		9,399,031	7,990,539
Creditors: amounts falling due within one year	18	(1,118,460)	(1,037,671)
Net current assets		8,280,571	6,952,868
Total assets less current liabilities		13,510,714	11,966,153
Creditors: amounts falling due after more than one year	19	-	(282,250)
Provisions for liabilities	20	(179,000)	(220,125)
Total net assets		13,331,714	11,463,778
Charity funds			
Restricted funds	21	70,613	51,019
Unrestricted funds	21	13,261,101	11,412,759
Total funds		13,331,714	11,463,778

The Company's net movement in funds for the year was £1,867,936 (2021 - £2,951,722).

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

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

Mrs C Quinn
Chair
Date:

Mr M Risdon
Treasurer

The notes on pages 30 to 56 form part of these financial statements.

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Cash flows from operating activities		
Net cash provided by operating activities	1,871,431	2,273,905
Cash flows from investing activities		
Dividends, interests and rents from investments	107,128	160,759
Proceeds from the sale of tangible fixed assets	723,406	-
Purchase of intangible assets	(48,694)	-
Purchase of tangible fixed assets	(167,916)	(43,271)
Proceeds from sale of investments	513,110	139,479
Purchase of investments	(852,014)	(143,570)
Revaluation of investment property	(90,000)	-
Net cash provided by investing activities	185,020	113,397
Cash flows from financing activities		
Repayments of borrowing	(306,750)	(24,500)
Loan interest paid	(9,075)	(13,454)
Net cash used in financing activities	(315,825)	(37,954)
Change in cash and cash equivalents in the year	1,740,626	2,349,348
Cash and cash equivalents at the beginning of the year	6,131,888	3,782,540
Cash and cash equivalents at the end of the year	7,872,514	6,131,888

The notes on pages 30 to 56 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

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

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

1.2 GOING CONCERN

This year we have reported strong signs of recovery in our retail and fundraising efforts, and we expect these areas to continue to recover over the medium term. Additionally, our efforts within our Transformation programme are expected to improve efficiency of the hospice further. There are sufficient reserves to act as a contingency fund, and it is for these reasons the Trustees consider the going concern basis to be appropriate.

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

1.3 INCOME

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

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

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

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. ACCOUNTING POLICIES (continued)

1.4 EXPENDITURE

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

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

All expenditure is inclusive of irrecoverable VAT.

1.5 INTEREST RECEIVABLE

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

1.6 TAXATION

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

1.7 INTANGIBLE ASSETS AND AMORTISATION

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

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

Amortisation is provided on the following bases:

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES (continued)

1.8 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

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

Depreciation is provided on the following bases:

Freehold property	- 4-7%
Equipment and furniture	- 10-33%
Motor vehicles	- 14-33%

1.9 INVESTMENTS

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

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

1.10 STOCKS

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

1.11 DEBTORS

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

1.12 CASH AT BANK AND IN HAND

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

1.13 LIABILITIES

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. ACCOUNTING POLICIES (continued)

1.14 PROVISIONS

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

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

1.15 FINANCIAL INSTRUMENTS

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

1.16 OPERATING LEASES

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

1.17 PENSIONS

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

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

1.18 FUND ACCOUNTING

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

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

3. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Donations	1,411,050	32,418	1,443,468
Legacies	1,519,575	10,000	1,529,575
	<u>2,930,625</u>	<u>42,418</u>	<u>2,973,043</u>
	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>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
NHS Basic Funding	2,718,554	-	2,718,554
End of Life Care Education Projects	-	87,157	87,157
Other Income	285,999	101,736	387,735
COVID Relief grants	112,005	4,606	116,611
Hospice UK grants	-	400,725	400,725
TOTAL 2022	3,116,558	594,224	3,710,782
	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
NHS Basic Funding	2,733,260	18,000	2,751,260
End of Life Care Education Projects	-	86,039	86,039
Other Income	94,416	-	94,416
COVID Relief Grants	333,368	774,604	1,107,972
Hospice UK grants	-	2,971,163	2,971,163
TOTAL 2021	3,161,044	3,849,806	7,010,850

5. INCOME FROM OTHER TRADING ACTIVITIES

Income from non charitable trading activities

	Unrestricted funds 2022 £	Total funds 2022 £
Shops	3,103,969	3,103,969
Sale of assets	448,866	448,866
Lottery	676,225	676,225
	4,229,060	4,229,060

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

5. INCOME FROM OTHER TRADING ACTIVITIES (CONTINUED)

Income from non charitable trading activities (CONTINUED)

	Unrestricted funds 2021 £	Total funds 2021 £
Shops	784,306	784,306
Lottery	708,416	708,416
	<u>1,492,722</u>	<u>1,492,722</u>

6. INVESTMENT INCOME

	Unrestricted funds 2022 £	Total funds 2022 £
Income from property	56,085	56,085
Investment income - other investments	45,389	45,389
Interest receivable and similar income	5,654	5,654
	<u>107,128</u>	<u>107,128</u>

	Unrestricted funds 2021 £	Total funds 2021 £
Income from property	102,902	102,902
Investment income - other investments	43,218	43,218
Interest receivable and similar income	14,529	14,529
	<u>160,649</u>	<u>160,649</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

7. OTHER INCOMING RESOURCES

	Unrestricted funds 2022 £	Total funds 2022 £
Insurance claims	941,095	941,095
	Unrestricted funds 2021 £	Total funds 2021 £
Insurance claims	563,788	563,788

8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
In Patient Care	2,755,140	202,241	2,957,381
Community Services	2,092,832	155,544	2,248,376
Hospital Services and Medical Operations	499,310	35,326	534,636
Education	320,072	180,243	500,315
	5,667,354	573,354	6,240,708
	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
	2,703,277	3,172,035	5,875,312

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
In Patient Care	2,641,645	315,736	2,957,381
Community Services	1,884,722	363,654	2,248,376
Hospital Services and Medical Operations	411,722	122,914	534,636
Education	351,585	148,730	500,315
	5,289,674	951,034	6,240,708

	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
	5,166,426	708,886	5,875,312

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

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

	2022	2021
	£	£
Cost of raising funds		
Shops	254,260	250,076
Lottery	36,906	22,218
Fundraising and publicity	207,373	248,133
Investment and other	40,629	36,628
	539,168	557,055
Charitable activities		
In patient care	254,744	201,880
Community services	276,225	224,182
Hospital services and medical ops	79,199	54,700
Education	96,377	90,499
	706,545	571,261
Governance costs		
Audit & accountancy	25,920	14,437
Legal and professional	13,504	3,866
Other	266,078	186,728
	305,502	205,031

10. AUDITORS' REMUNERATION

The auditors' remuneration for the Group amounts to an auditor fee of £15,690 (2021 - £15,650), and non-audit services of £9,960 (2021 - £6,500).

ST. LUKE'S HOSPICE PLYMOUTH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

11. STAFF COSTS

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	6,243,137	6,160,323	6,180,316	6,087,498
Social security costs	518,943	495,343	515,319	491,467
Contribution to defined contribution pension schemes	580,074	582,679	575,958	577,139
	7,342,154	7,238,345	7,271,593	7,156,104

During the year, termination payments (e.g. redundancy) amounting to £40,377 (2021: £21,383) were paid. The balance is included in Wages and salaries above.

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

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Clinical and direct care	118	122	118	122
Direct support	37	38	37	38
Office and administration	47	44	46	43
Fund generating teams	82	94	78	89
	284	298	279	292

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

	Group 2022 No.	Group 2021 No.
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	1	1
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-

The key management personnel of the group comprise the Senior Management Team. The aggregate employee benefits payable to the key management personnel for the year was £272,974 (2021: £291,097). The key management personnel for 2022 have retained the same staff number as 2021 (4 employees).

12. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

12. TRUSTEES' REMUNERATION AND EXPENSES (CONTINUED)

During the year ended 31 March 2022, no Trustee expenses have been incurred (2021 - £NIL).

13. INTANGIBLE ASSETS

GROUP AND COMPANY

	Computer software £	Computer software under construction £	Total £
COST			
Additions	15,541	33,153	48,694
At 31 March 2022	15,541	33,153	48,694
AMORTISATION			
Charge for the year	5,180	-	5,180
At 31 March 2022	5,180	-	5,180
NET BOOK VALUE			
At 31 March 2022	10,361	33,153	43,514
At 31 March 2021	-	-	-

ST. LUKE'S HOSPICE PLYMOUTH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

14. TANGIBLE FIXED ASSETS

GROUP AND COMPANY

	Freehold property £	Equipment and furniture £	Motor vehicles £	Assets under construction £	Total £
COST					
At 1 April 2021	7,242,304	1,560,970	46,091	-	8,849,365
Additions	9,610	121,002	-	37,304	167,916
Disposals	(615,758)	(243,849)	(1,000)	-	(860,607)
At 31 March 2022	6,636,156	1,438,123	45,091	37,304	8,156,674
DEPRECIATION					
At 1 April 2021	4,881,203	1,396,842	43,254	-	6,321,299
Charge for the year	274,931	104,243	2,431	-	381,605
On disposals	(327,834)	(240,648)	(1,000)	-	(569,482)
At 31 March 2022	4,828,300	1,260,437	44,685	-	6,133,422
NET BOOK VALUE					
At 31 March 2022	1,807,856	177,686	406	37,304	2,023,252
At 31 March 2021	2,361,101	164,128	2,837	-	2,528,066

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

15. INVESTMENT PROPERTY

GROUP AND COMPANY

	Freehold investment property £
VALUATION	
At 1 April 2021	340,000
Surplus on revaluation	90,000
	<hr/>
At 31 March 2022	430,000
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The investment property was independently valued in 2019. The Trustees have revalued the investment property in the year based on their knowledge and experience of the current market conditions.

ST. LUKE'S HOSPICE PLYMOUTH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

16. FIXED ASSET INVESTMENTS

GROUP	Listed investments £		
COST OR VALUATION			
At 1 April 2021			2,145,217
Additions			852,014
Disposals			(513,110)
Revaluations			249,254
AT 31 MARCH 2022			<u>2,733,375</u>
NET BOOK VALUE			
AT 31 MARCH 2022			<u>2,733,375</u>
AT 31 MARCH 2021			<u>2,145,217</u>

COMPANY	Investments in subsidiary companies £	Listed investments £	Total £
COST OR VALUATION			
At 1 April 2021	2	2,145,217	2,145,219
Additions	-	852,014	852,014
Disposals	-	(513,110)	(513,110)
Revaluations	-	249,254	249,254
AT 31 MARCH 2022	<u>2</u>	<u>2,733,375</u>	<u>2,733,377</u>
NET BOOK VALUE			
AT 31 MARCH 2022	<u>2</u>	<u>2,733,375</u>	<u>2,733,377</u>
AT 31 MARCH 2021	<u>2</u>	<u>2,145,217</u>	<u>2,145,219</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

17. DEBTORS

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Amounts owed by group undertakings	-	-	50,000	50,000
	-	-	50,000	50,000
DUE WITHIN ONE YEAR				
Trade debtors	279,425	449,378	279,425	449,378
Other debtors	109,213	102,546	109,213	101,570
Prepayments and accrued income	1,262,368	1,620,609	1,258,939	1,615,876
Tax recoverable	49,044	3,704	49,044	3,704
	1,700,050	2,176,237	1,746,621	2,220,528

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	-	24,500	-	24,500
Trade creditors	248,649	205,403	243,422	202,456
Amounts owed to group undertakings	-	-	339,913	177,856
Other taxation and social security	145,024	116,443	131,305	115,810
Other creditors	70,274	110,837	69,885	110,064
Accruals and deferred income	432,451	495,553	333,935	406,985
	896,398	952,736	1,118,460	1,037,671

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	-	282,250	-	282,250

The prior year bank loan was a mortgage that was secured by way of a fixed first charge on the freehold property at Brooklands, including all buildings and fixtures.

Of the amount due in the prior year £98,000 was due between 2 - 5 years, and £184,250 over 5 years. The full amount has been repaid in the current year and therefore the liability at the year end is £nil.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

20. PROVISIONS

GROUP AND COMPANY

	Dilapidation provision £
At 1 April 2021	220,125
Amounts used	(1,114)
Amounts reversed	(40,011)
	<hr/>
	179,000
	<hr/>

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

21. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Fixed Asset Fund	2,448,069	-	(386,784)	(74,516)	-	1,986,769
Income Generation Fund	200,000	-	(48,975)	-	-	151,025
Building Facilities Reserve	133,057	-	-	-	-	133,057
Legacies Reserve	1,000,000	-	-	-	-	1,000,000
Projects / Invest to save Fund	764,074	-	(42,524)	(25,045)	-	696,505
Revenue Reserve	3,700,000	-	-	(600,000)	-	3,100,000
Case for change / Quality agenda	150,000	-	-	-	-	150,000
Compassionate Communities Development	50,000	-	-	-	-	50,000
Data project	100,000	-	-	-	-	100,000
Income Generation Start Up Funds	-	-	-	200,000	-	200,000
LMS Replacement	-	-	-	20,000	-	20,000
Hospital Team Expansion	-	-	-	104,000	-	104,000
Integrated Care Trial	-	-	-	70,000	-	70,000
Investment Revaluation Reserve	611,170	-	-	(123,201)	148,259	636,228
	9,156,370	-	(478,283)	(428,762)	148,259	8,397,584

ST. LUKE'S HOSPICE PLYMOUTH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

21. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
GENERAL FUNDS						
General funds	2,919,439	11,324,466	(9,184,708)	417,192	-	5,476,389
Dilapidation provision	(220,125)	-	-	41,125	-	(179,000)
	<u>2,699,314</u>	<u>11,324,466</u>	<u>(9,184,708)</u>	<u>458,317</u>	<u>-</u>	<u>5,297,389</u>
TOTAL UNRESTRICTED FUNDS	<u>11,855,684</u>	<u>11,324,466</u>	<u>(9,662,991)</u>	<u>29,555</u>	<u>148,259</u>	<u>13,694,973</u>
RESTRICTED FUNDS						
Other Funds	29,191	443,250	(430,300)	(26,842)	-	15,299
Project Funds	21,828	193,392	(157,193)	(2,713)	-	55,314
	<u>51,019</u>	<u>636,642</u>	<u>(587,493)</u>	<u>(29,555)</u>	<u>-</u>	<u>70,613</u>
TOTAL OF FUNDS	<u>11,906,703</u>	<u>11,961,108</u>	<u>(10,250,484)</u>	<u>-</u>	<u>148,259</u>	<u>13,765,586</u>

ST. LUKE'S HOSPICE PLYMOUTH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

21. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Fixed Asset Fund	2,577,910	-	(296,807)	166,966	-	2,448,069
Income Generation Fund	200,000	-	(8,562)	8,562	-	200,000
Building Facilities Reserve	133,057	-	-	-	-	133,057
Legacies Reserve	600,000	-	-	400,000	-	1,000,000
Projects / Invest to save Fund	200,000	-	(35,926)	600,000	-	764,074
Revenue Reserve	4,500,000	-	-	(800,000)	-	3,700,000
Case for change / Quality agenda	-	-	-	150,000	-	150,000
Compassionate Communities Development	-	-	-	50,000	-	50,000
Data project	-	-	-	100,000	-	100,000
Investment Revaluation Reserve	132,552	-	-	110	478,508	611,170
	<u>8,343,519</u>	<u>-</u>	<u>(341,295)</u>	<u>675,638</u>	<u>478,508</u>	<u>9,156,370</u>

ST. LUKE'S HOSPICE PLYMOUTH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

21. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
GENERAL FUNDS						
General funds	1,172,658	8,045,830	(5,635,069)	(663,980)	-	2,919,439
Dilapidation provision	(353,000)	-	132,875	-	-	(220,125)
	<u>819,658</u>	<u>8,045,830</u>	<u>(5,502,194)</u>	<u>(663,980)</u>	<u>-</u>	<u>2,699,314</u>
TOTAL UNRESTRICTED FUNDS	<u>9,163,177</u>	<u>8,045,830</u>	<u>(5,843,489)</u>	<u>11,658</u>	<u>478,508</u>	<u>11,855,684</u>
RESTRICTED FUNDS						
Other Funds	8,174	67,078	(34,403)	(11,658)	-	29,191
Project Funds	21,893	103,886	(103,951)	-	-	21,828
Hospice UK Grants	-	2,971,162	(2,971,162)	-	-	-
Furlough Grants	-	745,433	(745,433)	-	-	-
	<u>30,067</u>	<u>3,887,559</u>	<u>(3,854,949)</u>	<u>(11,658)</u>	<u>-</u>	<u>51,019</u>
TOTAL OF FUNDS	<u>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>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

21. STATEMENT OF FUNDS (CONTINUED)

The positive financial result for the year has resulted in reserves increasing by £1.8m in the year. As explained in the financial review, this was due to the continuation of some non-recurring COVID-19 related income streams. We are mindful of the requirement to spend excess reserves to meet our charitable objectives and so spending plans have been formulated, which will be driven by our strategic aims. The designated fund of £100k which has been set aside for the Data Project, will ensure we approach this spending in a planned and informed way.

Designated Funds

The Revenue Reserve represents the minimum free reserves required by the Hospice, taking into account the potential risks to income streams and of the potential risks to expenditure over a two year period. Reserves in excess of the minimum level of expenditure may be designated to develop new and improved services in line with the needs and preferences of patients living with and dying from advanced incurable illness. Within the period the trustees have designated a further £394,000 to fund projects in line with the strategic aims of the organisation. Designated funds are held for the following purposes:

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

The Income Generation Ventures/Fund: This reserve was set up in 2017/18 to invest in feasibility studies for new sustainable income streams. The Income Generation Committee has made progress in this area and has selected 2 /3 ventures that are ready to move on to implementation stage. We have therefore further designated funds this year to fund the set-up costs of the ventures which we have assessed as being viable.

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

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

Projects/Invest to Save Fund: This reserve has been used to fund the Transformation programme of the hospice which has stepped up pace since the pandemic. Costs of the reconfiguration of the Turnchapel site to bring all our teams working on one site are being funded through this reserve as well as transformation costs across our teams.

Case for change/Quality agenda: We are undertaking a review to understand the patient journey/ experience of dying and to use the outcomes of this to shape our clinical services and strategy.

Compassionate communities Development: St Luke's has been at the forefront of this initiative to date and will match funding going forward.

Data project: We will undertake a review to initially understand what data we hold and what is available

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

externally, then to create an action plan to ensure the best use of data to inform our strategic plans.

LMS Replacement: It is proposed to replace the LMS system, to do this there is a requirement to buy in some external expertise to support this work, funds have been designated for this work.

Hospital team expansion: we plan to initiate the expansion of the hospital service through increasing the reach of the hospital team and to improve the education of UHP staff working in end of life care. It would entail recruitment of a Band 7 nurse for a 2 year initiative with the aim that the hospital will fund the post after 2 years.

Integrated care trial: To fund a trial to improve discharge of patients from SLH to ongoing care. To model this to see if it could benefit wider system at which point it would be funded from the system.

Investment Revaluation Reserve: This reserve represents unrealised gains on investments.

Restricted Funds

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

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

Hospice UK Grants: These grants were provided by Hospice UK to support the charity during the COVID lockdowns and the impact on fundraising income.

Furlough Grants: This is the government grants for furloughed employees during the year as part of the continued COVID support at the start of the financial year.

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22. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Designated funds	9,156,370	-	(478,283)	(428,762)	148,259	8,397,584
General funds	2,699,314	11,324,466	(9,184,708)	458,317	-	5,297,389
Restricted funds	51,019	636,642	(587,493)	(29,555)	-	70,613
	<u>11,906,703</u>	<u>11,961,108</u>	<u>(10,250,484)</u>	<u>-</u>	<u>148,259</u>	<u>13,765,586</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Designated funds	8,343,519	-	(341,295)	675,638	478,508	9,156,370
General funds	819,658	8,045,830	(5,502,194)	(663,980)	-	2,699,314
Restricted funds	30,067	3,887,559	(3,854,949)	(11,658)	-	51,019
	<u>9,193,244</u>	<u>11,933,389</u>	<u>(9,698,438)</u>	<u>-</u>	<u>478,508</u>	<u>11,906,703</u>

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	2,023,252	-	2,023,252
Intangible fixed assets	43,514	-	43,514
Fixed asset investments	2,733,375	-	2,733,375
Investment property	430,000	-	430,000
Current assets	9,540,230	70,613	9,610,843
Creditors due within one year	(896,398)	-	(896,398)
Provisions for liabilities and charges	(179,000)	-	(179,000)
TOTAL	<u>13,694,973</u>	<u>70,613</u>	<u>13,765,586</u>

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23. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	2,528,066	-	2,528,066
Fixed asset investments	2,145,217	-	2,145,217
Investment property	340,000	-	340,000
Current assets	8,297,512	51,019	8,348,531
Creditors due within one year	(952,736)	-	(952,736)
Creditors due in more than one year	(282,250)	-	(282,250)
Provisions for liabilities and charges	(220,125)	-	(220,125)
TOTAL	11,855,684	51,019	11,906,703

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

	Group 2022 £	Group 2021 £
Net income for the year (as per Statement of Financial Activities)	1,858,883	2,713,459
ADJUSTMENTS FOR:		
Depreciation charges	381,605	413,067
Amortisation charges	5,180	-
(Gains)/losses on investments	(249,254)	(462,814)
Interest received	(107,128)	(160,649)
Loss/(profit) on the sale of fixed assets	(432,281)	7,269
Decrease/(increase) in stocks	2,126	39,032
Decrease/(increase) in debtors	476,187	(328,492)
Increase/(decrease) in creditors	(31,837)	172,564
Increase/(decrease) in provisions	(41,125)	(132,875)
Interest paid	9,075	13,454
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,871,431	2,274,015

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2022 £	Group 2021 £
Cash in hand	7,872,514	6,131,888
TOTAL CASH AND CASH EQUIVALENTS	7,872,514	6,131,888

26. ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	6,131,888	1,740,626	7,872,514
Debt due within 1 year	(24,500)	24,500	-
Debt due after 1 year	(282,250)	282,250	-
	5,825,138	2,047,376	7,872,514

27. PENSION COMMITMENTS

Group Personal Pension Scheme

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

The Federated Flexiplan No.1

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

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

The total cost payable to these schemes for the year was £580,074 (2021: £582,681) and £68,018 (2021: £61,961) was payable to the schemes at the year end.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

28. OPERATING LEASE COMMITMENTS

At 31 March 2022 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group	Group	Company	Company
	2022	As restated	2022	As restated
	£	2021	£	2021
		£		£
Not later than 1 year	360,103	403,234	360,103	403,234
Later than 1 year and not later than 5 years	312,341	587,740	312,341	587,740
	672,444	990,974	672,444	990,974

29. RELATED PARTY TRANSACTIONS

The Group has not entered into any related party transactions during the year or the prior year, nor are there any outstanding balances owing between related parties and the Group at 31 March 2022 or at 31 March 2021.

30. CONTROLLING PARTY

The Group is controlled by the Board of Trustees.

31. PRINCIPAL SUBSIDIARIES

The following was a subsidiary undertaking of the Company:

Name	Company number	Registered office or principal place of business	Principal activity
SLH Ventures Limited	01786925	Stamford Road, Turnchapel, Plymouth, PL9 9XA	Fundraising in support of the parent charity
Holding	Included in consolidation		
100%	Yes		

The financial results of the subsidiary for the year were:

Name	Income	Expenditure	Profit/(Loss) / Surplus/ (Deficit) for the year	Net assets
	£	£	£	£
SLH Ventures Limited	874,929	(440,415)	434,514	434,249